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## New Concessions Barred

# Lack of SALT Progress Is Laid to U.S. by Russia

By David K. Shupler

MOSCOW, Feb. 12 (NYT).—The Soviet Union said yesterday that negotiations with the United States on limiting strategic nuclear arms were stalled on several old points of disagreement, including the U.S. Cruise missile, the new Soviet Backfire bomber and the modernization of weapons technology.

## Somalia Chief Cites Formal Entry in War

By Thomas W. Lippman

MOGADISHU, Somalia, Feb. 12 (UPI).—Somalis announced last night that it was committing its armed forces to the war against Ethiopia.

The government called for volunteers to enlist at the Ministry of Defense, recalled retired soldiers and reservists to active duty and declared a state of emergency.

In a statement issued late yesterday, the government said it was obliged by the intervention of the Soviet Union and Cuba to the Ethiopian side to enter the war officially in defense of the "unity and existence" of Somalia.

It has been known for many months that regular Somali armed forces are deeply involved in the "guerrilla" war, but this country has maintained that it was merely helping indigenous guerrillas trying to end Ethiopian occupation.

The formal entry of Somalia into the war is unlikely, therefore, to affect the military situation, which has turned against its country since Soviet and Cuban assistance bolstered the fighting forces of Ethiopia last year.

But it does change the political climate.

The Somali move was at least partially in response to a statement by U.S. Secretary of State Cyrus Vance that Washington would not supply arms to Mogadishu.

the Communist party newspaper, Pravda, Moscow laid much of the blame for the lack of progress on opposition in Congress, the Pentagon and the "military-industrial complex," and warned the Carter administration against using the threat of Senate rejection of a treaty to exact compromises from the Soviet Union.

Such attempts are "hopeless" and "pointless," Pravda declared. "Those who are trying to

frustrate or drag out the conclusion of a treaty," the paper said, "could have more than 1,320 new spiraling years of the most dangerous means of warfare, which can have only one outcome—the deeply mounting danger of a nuclear-missile holocaust."

Visit to the U.S.

A Western military analyst speculated that the statement, probably written at the Politburo level, had been prompted by the recent visit to the United States of a Soviet delegation led by Boris Ponomarev, a candidate, or nonvoting, member of the Politburo, where there were "frank" discussions on strategic arms and other matters.

Pravda said that "the talks have not progressed for a long time as a result of the U.S. position on the matter of the long-range Cruise missiles." "The missile, a low-flying subsonic drone carrying a nuclear warhead, can be launched from aircraft, surface ships, submarines, and land bases."

The draft of a three-year protocol to be attached to the main treaty would allow the United States to deploy air-launched Cruise missiles with ranges up to 1,500 miles, with each aircraft thus armed counted as a multiple warhead delivery vehicle. Neither side, "as leading matters to a such vehicle."

Pravda said that the United States now wanted to put Cruise missiles "not only on heavy bombers subject to limitations, but actually on any type of aircraft, transports included." If this were allowed, the treaty "would be a scrap of paper, not an agreement aimed at averting nuclear war," the paper declared. "The Soviet Union is not going to affix its signature to such a scrap of paper."

3-Year Moratorium

The editorial also made clear Moscow's rejection of any effort to go back on the terms, already agreed upon, for a three-year moratorium on the testing and deployment of sea and ground-launched Cruise missiles and for a ban on their deployment closer to Soviet borders, particularly in Western Europe.

It responded to U.S. expressions of concern over verification, by denying, as "fabrications," the reports "that the Soviet Union is developing means of destroying American observation satellites." U.S. intelligence officials in Washington have said that successful tests of Soviet attack satellites have already been carried out in space.

The Pravda editorial gave no (Continued on Page 2, Col. 7)



Rescue workers and tail section of plane that crashed Saturday in British Columbia.

## 92 Killed in 4 Air Crashes During Weekend

CRANBROOK, British Columbia, Feb. 12 (AP).—The pilot of a Boeing 737 jet that crashed and burned while trying to land here yesterday probably was trying to avoid a snowplow that was on the runway, airline officials said today.

Forty of the 47 persons aboard the Pacific Western Airlines flight were killed.

At least 55 persons have died in three other air crashes since Friday.

The survivors of the Cranbrook crash—six passengers and a stewardess—were in the tail section of the Boeing 737, which broke in two on impact.

David White, 20, who was treat-

ed for minor injuries, said that the tail section "just stopped dead while the rest of the plane carried on and burst into flames."

In Revelstoke, British Columbia, a ski-tour helicopter crashed yesterday, killing the pilot and 3 of 14 passengers, police said. Revelstoke is about 100 miles from Cranbrook.

Seventeen persons were killed when a commuter airplane bound for Seattle from Richland, Wash., crashed and burned shortly after takeoff on Friday.

A spokesman for Columbia Pacific Airlines said that the Twin-engine Beechcraft 99 was carrying 15 passengers and a crew of 2.

The plane was climbing when "it looked like it had stopped in the air," said a Richland policeman who was about a mile from the airport when the craft went down.

There were conflicting casualty reports in the crash of a Uruguayan Air Force transport plane. The Air Force said that all 27 passengers and four crew members died when the twin-engine DC-3 crashed while trying to make an emergency landing on Friday at the northern city of Artigas.

But news reports from Artigas, on the Brazilian border 300 miles north of Montevideo, said that at least 45 persons were killed.

## To Return to South Africa

# Botha Breaks Off Namibia Talks

UNITED NATIONS, Feb. 12 (UPI).—South African Foreign Minister P. W. Botha today broke off negotiations for the creation of an independent state in South-West Africa (Namibia) and announced that he would return home immediately.

Mr. Botha said there was still hope for a resumption of negotiations, "but the situation is now very serious."

He talked yesterday with Secretary of State Cyrus Vance and the foreign ministers of Britain, Canada, France and West Ger-

many on a Western plan for establishing an independent Namibia by the end of this year.

But, after studying the plan, Mr. Botha announced that he would return home today since some aspects of the plan were unacceptable. He explained the reasons for his decision in a television interview and at a news conference.

Objections to SWAPO

Mr. Botha objected particularly to the preferred treatment in the negotiations given to the South-West Africa People's Organization, which represents the black guerrilla forces in Namibia.

The five Western foreign ministers held meetings on equal terms with Mr. Botha and SWAPO President Sam Nujoma yesterday. Other South-West African factions were met at lower diplomatic levels.

Obviously referring to SWAPO, Mr. Botha said that there were aspects in the Western plan which would not give the people of the territory equal treatment and would lead to a situation in which they could be "overrun by a Marxist terrorist organization."

He said that he was returning to report to his government and to the political leaders of South-West Africa.

He refused to reply directly to a question whether this would mean a return to the "Turnhalle" constitutional conference which has been denounced by black Africa as a South African puppet scheme.

Mr. Botha said that South Africa still was ready to lead the territory to independence by the end of this year and allow U.N. observers in South-West (Continued on Page 2, Col. 4)

## Report of Truffle Cultivation Is Issued by French Institute

By Don Cook

PARIS, Feb. 12.—The French have triumphantly disclosed that they have succeeded in cultivating the elusive truffle—news that will probably be greeted by gourmets as a bigger event than splitting the atom.

After 20 years of research and experiment, the French National Institute for Agronomic Research (INRA) has announced that it has produced 200 truffles by seeding the roots of nut trees with truffle spores.

The truffle is a pungent black fungus, usually the size of a small potato, which has been one of nature's wonders that had to be sniffed out of the soil in oak forests by trained dogs or pigs.

The INRA scientists produced their first cultivated truffle in December. But they waited until they had retrieved 19 more from the soil before making an announcement, to be sure that a breakthrough had really occurred.

Their process will immediately be patented.

It occurred not a moment too soon. Top-quality natural truffles are selling for around \$80 a pound. The supply is going down

while the demand in gourmet cooking has been going up throughout the world. Truffles are most familiar in paté de foie gras, but they are also used many other ways in French cooking—and anybody who has eaten a dish of scrambled eggs with truffles is unlikely to forget it.

France's most productive truffle-producing region is around the town of Cahors in the southwest. Before World War I, Cahors dogs and pigs were rooting out 300 tons of truffles a year. By the 1950s that was down to about 100 tons a year, and in this decade the annual yield has averaged less than 50 tons. Meanwhile, the Périgord truffle region to the north of Cahors has been pretty much worked out, although its oak forests could begin to produce again after a rest.

The INRA scientists say that their first cultivated truffles took about 3 1/2 years to grow—as against six years for the wild truffles. The first cultivated truffle to be retrieved weighed 170 grams. They are not quoting a price, nor is there any assessment yet of quality.

## Dealings With Apartheid Nation Defended as Economic Necessity

Other publications, including The Economist, have said that much of Israel's arms sales to South Africa is in exchange for needed raw materials. This has helped to expand Israel's steel industry. The materials and financing are handled by Iskor Steel Services Co., a South African subsidiary of Israel's huge Koor Industries.

Foreign sources report that this joint steel deal includes the development of a special armor-plating for the Israeli-developed Chariot tank. Other foreign reports say that Israel has delivered three long-range boats equipped with Israel's Gabriel sea-to-sea missiles that supposedly cost \$18 million each. Three more are said to be on order and unconfirmed reports say that South Africa is helping to pay for the development of a new Israeli missile boat capable of holding a helicopter.

Foreign press reports also say that Israel has used its technology to fortify helicopter squadrons in South Africa with such things as night-visibility equipment.

For instance, does such an embargo apply to existing arms commitments? Does it apply to raw materials that go into the making of weapons? Does it involve the sale of electronic equipment and other advanced components which are not "military" but which are used in military equipment? Does it involve "know-how" contracts and consultant services?

Foreign press reports of Israel's military sales to South Africa cannot be verified because censorship prohibits dissemination of information on Israel's arms customers.

But the International Institute for Strategic Studies, a London-based information center, reported that South Africa's primary suppliers of arms are France and Israel.

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Officials here deny the presence of Israeli military personnel in South Africa. But about 5,000 Israelis in recent years have emigrated to that country, according to officials, and presumably that number included some technologists.

According to The Economist, Israeli engineers have aided in developing a sensitive electronic surveillance system along South Africa's border that is aimed at foiling guerrilla attacks.

There is every indication that Israel is anxious to expand commercial ties with South Africa to broaden the market for Israeli goods while cultivating a source for raw materials. There is also every indication that Israel will continue to rebut the criticism connected with such links.

# Begin Protests Vance Comment On Settlements

JERUSALEM, Feb. 12 (NYT).—The government of Prime Minister Menachem Begin today sharply expressed "regret and protest" over comments made by Secretary of State Cyrus Vance that Israeli settlements on occupied Egyptian land in the Sinai Desert "should not exist" because they violated international law. A statement read by Mr. Begin after a 2 1/2-hour Cabinet meeting was the strongest criticism of U.S. policy by the Israeli government since Mr. Begin came to power nearly nine months ago.

## Pact Quits Beirut Guns For 2d Day

Syrians, Lebanese Agree to Tribunal

BEIRUT, Feb. 12 (UPI).—A preliminary Syrian-Lebanese accord quieted shell and rocket fire for the second day today.

Syrian peace-keeping troops were on alert, as were the Lebanese Army regulars and Christian rightist militiamen who battled for four days last week in the worst clashes since Lebanon's civil war ended 15 months ago. As many as 150 persons were feared to have been killed in the outbreak, diplomats said. Most of the victims were thought to be Syrian troops and Lebanese civilians.

No fighting has been reported since Friday; pedestrians and motorists returned to Beirut streets today.

4 Found Slain

Fifteen kilometers southeast of Beirut, in the hill town of Chtaura, however, a Christian member of the leftist Popular Syrian party, his wife and their three children were found slain. Police said that there was no immediate indication as to who was responsible.

Beirut political sources feared that the slayings might increase tension in Lebanon. The leftists, who fought the rightist militia during the civil war, were not involved in last week's clashes between the rightists and the Syrians.

The Popular Syrian party advocates a "greater Syria," encompassing Lebanon, Syria, Israel, Jordan, Iraq and Cyprus. This has provoked bitter enmity with the rightists, who insist on Lebanon's "Christian identity" within the primarily Moslem Arab world.

The Beirut fighting began on Tuesday at a suburban barracks of the Lebanese forces and spilled into residential areas of rightist-dominated east Beirut.

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## In Security Case

## Carter Said to Have Cleared TV Monitoring of U.S. Citizen

WASHINGTON, Feb. 10 (UPI).—President Carter personally approved secret television surveillance of a U.S. citizen recently accused of stealing classified diplomatic cables for Vietnamese Communist agents, officials familiar with the case said yesterday.

The television monitoring of the office of a U.S. Information Agency employee, Ronald Humphrey, was done without a court order. It was the first such surveillance authorized by the Carter administration against a U.S. citizen in a national security case.

The trial of Mr. Humphrey and Truong Dinh Hung, a Vietnamese native also charged in the case, is likely to provide a major new test of the inherent powers a president can invoke in the name of national security.

This is so, legal experts said,

because the television monitoring is said to have produced much of the government evidence in the case, and because the legal basis for such surveillance is unclear.

No Such Power  
Electronic surveillance of U.S. citizens is permitted without a court order only in national security cases. The Supreme Court has never ruled on the constitutionality of such presidential powers. And, although a few cases have upheld such executive right, the most recent Circuit Court ruling said a president has no such inherent power.

Attorney General Griffin Bell also approved the wiretapping of Mr. Humphrey during the investigation, under a more general authority from the President, officials said.

Warrants for such surveillance can be obtained from judges during criminal investigations such as those in espionage cases. A Justice Department official said yesterday that a warrant was not sought in the Vietnamese spying case because it was not clear at first that a criminal prosecution would result.

The official emphasized that Mr. Humphrey and Mr. Bell took great precautions not to unnecessarily intrude on the rights of U.S. citizens in such cases, and that the television surveillance of Mr. Humphrey's office was not considered "especially intrusive."

No Listening  
"We didn't listen in on his phone or bug his house," the official said. "What we wanted to know was what he was taking and who he was giving it to."

Mr. Humphrey's attorney, Andrew Giannone, conceded yesterday in Richmond, Va., that during a court hearing his client had admitted to a signed statement that he removed classified cables cited in the seven-count indictment and gave them to Mr. Truong. The attorney argued that his client, the first U.S. employee ever charged with espionage, "did not know" that Mr. Truong might be working with the Vietnamese government. This was immediately challenged by prosecutor Frank Dunham Jr., who said the government has "evidence to believe he [Mr. Humphrey] had reason to believe that Hung [as Mr. Truong is also known] was an agent of Vietnam."

Mr. Giannone said during the argument for a lower bond for Mr. Humphrey that he would challenge the legality of any evidence produced by surveillance not authorized by a warrant.

A government lawyer said later that Mr. Giannone probably did not realize at the time the nature or extent of the surveillance "used on his client."

Although various presidents have asserted their right to take drastic steps on the grounds of national security, there is no clear court precedent establishing the constitutionality of such action.

Nixon administration officials claimed during the Watergate scandal that some of the acts undertaken by the so-called White House "plumbers" unit, including illegal entries, were justified on grounds of national security. But courts rejected the arguments.

Mr. Bell described the administration's first use of television surveillance of a U.S. citizen, without identifying Mr. Humphrey, in a recent letter to the House Intelligence Committee. (From the weekend's late editions.)



SOMETHING IN COMMON—Former Secretaries of State Dean Rusk, 68, and Henry Kissinger, 52, got together for an event Saturday at the University of Georgia in Athens, Ga. Mr. Kissinger said at a news conference that he wished the leaders on both sides in the Middle East would "get off the front page" and negotiate a peace accord diplomatically.

## Begin Protests Vance Remarks on Settlements

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Mr. Vance's remarks that the problem of the settlements had to be resolved by the parties concerned.

Obvious Contradiction  
"We face here an obvious contradiction in terms, between taking sides by a mediator and his advice to conduct negotiations," the statement said. There also was criticism of Mr. Vance's rejection of the Carter administration's preference for a "home-land" for the Palestinians with a link to Jordan.

"Whatever the theoretical assumptions and interpretations," Mr. Begin read, "there is absolutely no doubt that this plan would lead—in reality and unavoidably—to the establishment of a Palestinian state ruled by the terrorist organizations as the front-line spearhead of a potential military alignment of Jordan, Syria, Saudi Arabia and Iraq."

"Already today this alignment has at its disposal nearly 6,000 tanks, over 1,100 fighter aircraft and more than 4,200 heavy guns," the Prime Minister said. "Israel, under such conditions, would find itself nine miles from the sea and a situation would thus be created of mortal danger to its very existence."

Danger Is Seen  
"No political goal, whatever it be, can move Israel to place at risk all its civilian population within the range of an enemy's fire and endanger the very existence of the Jewish state," he said.

Mr. Begin's civil autonomy plan for the Arabs of the West Bank and the Gaza Strip calls for a Jordanian administrative involvement on a rough parity with Israel's involvement, although the Israel would control the security aspects.

The remainder of the Cabinet decision seemed to reflect Mr. Begin's pique at a possible loss of ground with Mr. Carter since Mr. Sadat and the President conferred.

"We wish to point out," Mr. Begin read, "that it was only after the Israeli peace plan, in both its parts, obtained the moral

support of the United States that the government decided to send its delegation, composed of the Prime Minister, the foreign minister, and the defense minister, to Jerusalem in order to bring the plan to the knowledge of the government of Egypt."

The Israeli-Egypt meeting between Mr. Begin and Mr. Sadat was held on Christmas Day and the following morning. It failed to produce a joint statement of principles for a comprehensive peace. It was the beginning of the difficulties in the Egyptian-Israeli contacts that have led to the current stalemate in the talks.

The statement concluded by saying: "The Cabinet expresses its hope that the government of the United States will reconsider its position in light of the positive

talks held between the President and the Prime Minister in December, 1977, in connection with the Israeli peace plan."

Projects Reported Held Up  
TEL AVIV, Feb. 12 (Reuters).—The Defense Ministry has ordered the suspension of all development projects in occupied Sinai, Israeli radio reported today.

The radio said projects had been stopped in the Rafiah salient of northern Sinai.

The state-owned radio said the military government responsible for territories occupied in 1977 had been instructed by Defense Minister Ezer Weizman to halt the projects.

Land-clearing operations further south in connection with oil drilling also have been suspended, the radio said.

## Journalists Become a Captive Audience

(Continued from Page 1)  
up any journalists, and canceled reservations for hired cars made by journalists. Anyone attempting to leave the hotel on his own, rather than joining his colleagues in the group bus, was challenged and sometimes rudely physically restrained. Journalists carrying themselves from the dinner table to use the bathroom were asked where they were going by escorts stationed throughout the hotel.

A cab driver hired by an errand

journalist refused to take his passenger back to the Ohlon. "They told me yesterday not to pick you people up," he said. "You can get killed for less than that in Ethiopia today. So why did I pick you up? Because I have seven children to feed."

Despite the restrictions, many journalists managed to get away. Some toured Addis Ababa early one morning and saw the body of an executed counter-revolutionary on display—a common

## In Bid to Win French Support, Arms Sadat Arrives in Paris for Talks

PARIS, Feb. 12 (UPI).—Egyptian President Anwar Sadat arrived today in France on his eight-day tour designed to win support for his peace talks with Israel and secure Western arms deliveries.

Mr. Sadat arrived from Bucharest, where he was reported to have asked President Nicolae Ceausescu of Romania, the only Communist country with diplomatic relations with Israel, to press Egypt's bid that Israel agree to pull out of all Arab lands.

Mr. Sadat met with French President Valéry Giscard d'Estaing shortly after landing at Orly Airport. Diplomats said that Mr. Sadat planned to seek France's support for Egypt's demand of a full Israeli pullout. They said that Mr. Sadat might also ask Mr. Giscard d'Estaing for sophisticated French weaponry.

Arms Pledge  
Mr. Sadat already has bought an estimated 40 French Mirage fighters and electronic material. He also has won a French pledge to help build an Arab arms industry funded by Saudi Arabia.

Mr. Sadat was met at Orly by Labor Minister Christian Baudouin and protocol chief Emmanuel de Cauley. Bad weather conditions delayed his flight by nearly two hours.

In his talks in Bucharest, diplomats said, Mr. Sadat asked Mr. Ceausescu, who has often served as a mediator between Israel and the Arabs, to use his influence with Israeli Prime Minister Menachem Begin to explain Egypt's position.

Ceausescu has always insisted that the only peace that will work in the Middle East is one that includes Israeli withdrawal, and some kind of Palestinian state. A Romanian diplomat said, "Romania's position basically is the same as Egypt's."

Go-Between Role  
The two Presidents had identical views on how to solve the crisis, a spokesman for Mr. Sadat said.

Mr. Ceausescu acted as a go-between last year before Mr. Sadat announced that he would go to Jerusalem.

Mr. Sadat withdrew Egypt's delegation from peace talks in Israel three weeks ago after Mr. Begin insisted that Israeli troops and settlements must remain in part of the Sinai desert, even if the area is returned to Egyptian sovereignty.

Mr. Sadat's 20-hour stay in Romania, one of the most tightly controlled states in the Soviet bloc, was clamped under heavy security after Mr. Ceausescu's secret police learned that a group

of Arab students planned an anti-Egyptian demonstration in Bucharest. Mr. Sadat went to Romania from Salzburg, Austria, where he met with Austrian Chancellor Bruno Kreisky and Israeli Prime Minister Menachem Begin.

It was his first talk with an Arab leader since Egypt withdrew from the Jerusalem peace negotiations. The peace process has taken momentum, Mr. Sadat told news conference in Salzburg.

## Kremlin Lays Blame on U.S. For Lack of SALT Progress

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clear indication of what the Soviet response would be to U.S. proposal that Soviet President Leonid Brezhnev make a separate pledge, outside the formal treaty, to limit deployment of the new Backfire bomber so it could not be used against the United States.

This has been a long-standing problem in the talks. The Pentagon believes that the U.S. side from the range to attack U.S. soil from the Russians insist that it does not and should, therefore, not be counted as a strategic weapon.

The editorial also described the disagreement over how to limit weapons modernization. The problems have arisen because of the differences between the two countries' strategic systems: the Russian depends mainly on heavy, land-based missiles, while the U.S. system is more diversified, spread among land-based, air-launched and submarine-borne missiles.

Pravda said that the Soviet Union had proposed a three-year ban on new types of intercontinental ballistic missiles with multiple warheads and of submarine-based missiles with multiple warheads.

By contrast, the paper explained, the United States sought a ban on "all new types of land-based intercontinental ballistic missiles in general, both with multiple warheads and without them," while leaving uncontrolled the modernization of submarine-borne missiles, heavy bombers and cruise missiles.

Pravda contended that Washington's proposal was "aimed at securing unilateral advantages at the expense of the Soviet Union."

U.S. Names Kremlin  
WASHINGTON, Feb. 12 (NYT).—Carter administration officials said yesterday that the problems blocking attainment of a new

strategic arms limitation agreement were not a result of pressure from Congress, but were related mainly to unwillingness of the Soviet government to make concessions.

The officials, taking account of a lengthy negotiation difficulties said that the Carter administration would need time to stand the article before responding to it.

They noted that recently a top ranking Carter aide had attributed the lack of progress in the negotiations to internal differences in the Soviet leadership.

## U-2 Spy Plane Gets New Name, New Life in U.S.

WASHINGTON, Feb. 12 (UPI).—The U-2 spy plane, which gained fame in 1960 when it was piloted by Francis Gary Powers, will be put into production again as a new type of U-2, with a new name and a new life in U.S. military service.

President Carter's proposed budget for next year contains \$10.2 million to reopen U-2 production, that closed about 10 years ago. Air Force spokesman said that about 20 U-2s will be built.

Although the U-2 retains much of its old role of secrecy, Defense Secretary Harold Brown disclosed in his annual report to Congress that the plane, renamed TR-1 for tactical reconnaissance, will "carry a long-range side-looking radar for coverage of ground targets from outside enemy air space."

Air Force sources said the TR-1 will do the same job as the conventional Phantom jet, plus plan that now patrol the East German border.

## Muzorewa Backers Endorse Strong Stance in Smith Talks

By Jonathan C. Randall

HALSBURY, Rhodesia, Feb. 12 (UPI).—Chances for a rapid "internal peace" settlement in Rhodesia "diminished today when the white-minority government's leading black negotiating partner rejected an over-arching endorsement for a hard-line stance from his supporters."

Bishop Abel Muzorewa, president of the United African National Council, emerged from a four-hour meeting with his 360-man national consultative assembly and raised the ante on his previous negotiating demands.

For the first time, he publicly insisted that no preliminary deal be struck until the consultative assembly had reached a majority rule could be envisaged without prior agreement on incorporating black nationalist guerrillas into the country's armed forces.

"Crucial Issue"  
This, Bishop Muzorewa said, was the "most vital and crucial issue" facing the deadlocked two-month-old internal peace talks. These talks involve Bishop Muzorewa, Prime Minister Ian Smith, the Rev. Ndabingani Sithole of the African National Council and the Zimbabwe United People's Organization's chief, Jeremiah Chirau.

The bishop's negotiating partners have indicated that the armed forces issue could be left for an interim government to work out in detail.

Backed by a "fresh mandate"

and the delegates "full and reserved confidence," Bishop Muzorewa made it clear at a news conference that he was not abandoning his old-man-out position on white voters' rights in a future black-majority government.

He brushed aside suggestions that his fellow negotiators, who he accused of trying to "steal" him into line, with pretensions that a preliminary accord would be signed this week, not conclude any deal without him.

Peace Plan  
Recalling Britain's ill-fated plea for a Rhodesian settlement in 1976, which Bishop Muzorewa helped defeat in a referendum, the bishop said any deal could "not be sold to the country."

He agreed with suggestions that the delegates had given him "blank check" for the negotiations.

Political analysts credited grassroots supporters, such as the delegates who gathered here, with forcing Bishop Muzorewa to stand in his heels after he initially had gone along with the other negotiators on white voting.

He apparently feels that solidifying his credibility with his African constituency, even at the cost of slowing and possibly even torpedoing the internal talks, is more important than rushing to a conclusion for the externally based guerrillas will make further inroads in the country.

## Somalia Officially Enters War With Ethiopia in the Ogaden

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deeply discouraged by the deteriorating military situation and by his feeling that Somalia was left unilaterally isolated by Western powers that failed to heed his warnings about Soviet intentions in Africa.

After Decades  
The Somalis and their allies, having wrested the Ogaden from Ethiopian control last summer to gain it by other means, now face the possibility of losing it. They also fear that the Ethiopians and their allies will not make Somalia.

It was not clear what effect the state of emergency would have. The government already has virtually full powers.

But, until now, Mogadishu has been on a war footing, men who are apparently now subject to a call-up.

The Somalis and their Western Somali Liberation Front allies have made it clear that they have no illusions about their ability to stand up to the Ethiopian forces backed by Cuban military and Soviet advisory personnel. But the Somalis appear to have painted themselves into a corner, and the moves announced last night, however cosmetic, may be the only way out.

Rally Backs Decision  
MOGADISHU, Somalia, Feb. 12 (UPI).—Tens of thousands of Somalis chanting "Down with Russia, down with Cuba" today demonstrated in support of the government's decision to declare a state of emergency and send troops against Ethiopia in the Ogaden Desert.

An estimated 100,000 persons, some wearing uniforms but most of them in civilian clothes, gathered on a huge field in central Mogadishu, where they were addressed by Mr. Siad Barre.

The President explained the government's decision to mobilize its forces in "defending the existence of the Somali nation."

## Spanish Police Hold 12 Extreme Leftists

BARCELONA, Feb. 12 (Reuters).—Police here have arrested 12 members of an extreme leftist party accused of numerous firebomb attacks that have injured 18 policemen since last summer.

Police said last night that they belonged to the International Spanish Communist party which supports the Polisario Front fighting for an independent Western Sahara and the Canary Islands' independence movement.

## S. Africa Official Quits Talks With West on Namibia State

(Continued from Page 1)  
Africa during free elections based on one-man, one-vote principle. But he objected to a takeover by the United Nations.

SWAPO is the only Namibian liberation movement recognized by black Africa and has observer status at the United Nations.

Mr. Botha also indicated that the higher level talks on South-West Africa had foundered on the question of South African troops in the territory. His decision to return home apparently surprised the other foreign ministers.

Mr. Vance opened the negotiations yesterday on behalf of the five Western powers. In two news briefings, officials said that they could not reveal anything about the substance of the talks.

Mr. Botha made it clear that the talks had stalled over the question of South African troops in the territory. "In some respects progress was made," he said. "In other areas no progress was made."

At the top of the list of problem areas, he said, "is a question of security forces—it is a serious and major problem."

The Western ministers and SWAPO have insisted that South African forces be removed completely.

"I do believe they [the Western ministers] do not have enough appreciation of the practical situation," Mr. Botha said. "If we remove all our troops at the present stage, there will be a total and complete collapse in the country."

Mr. Botha said that South Africa was prepared to permit UN troops within South African patrols.

## Oslo Freezes Prices After Devaluation

OSLO, Feb. 12 (Reuters).—Norway today introduced a price freeze to cushion consumers against the effects of Friday's 8-per-cent devaluation of the Norwegian krone.

Prime Minister Nordli said that the government would introduce further price and profit controls March 3 among planned measures to defend the currency.

## Turkish Teenager Slain

ISTANBUL, Feb. 12 (AP).—A teenage leftist was shot to death by a submachine-gun fire in Gaziantep, eastern Turkey, this weekend in Turkey's continuing left-right feuding.

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## Worst Snow in Years

Talks Blanches Kill Five in Italy  
Storms Disrupt Europe

ROME, Feb. 12 (Reuters).—At least five persons were killed in a landslide during the weekend in the Dolomites north of Bolzano, the heaviest snowfalls in several years hit northern Italy.

EC Is Reported To Begin Probe  
Of Movie Industry

WASHINGTON, Feb. 12 (WP).—The Securities and Exchange Commission has begun an investigation of the movie industry, according to informed sources.

The probe will be patterned on investigations that uncovered millions of dollars in foreign and domestic payoffs by such major U.S. companies as the Gulf Oil Corp., Lockheed and Exxon.

Since the SEC initiated the first investigation, accounting fraud has been found in more than 400 companies, with disclosures of questionable foreign and domestic payments.

The agency's new probe follows last Monday's resignation of David Begelman as president of the Motion Picture and Television Division of Columbia Pictures Industries Inc.

Mr. Begelman had been reinstated by the company in December after an internal investigation revealed he had cashed more than \$50,000 in checks made out to others and had padded his expense account by \$23,200.

The regulatory agency's interest in financial affairs of the industry was a result of press disclosures that were followed by Mr. Begelman's resignation.

Israel Sales Fall  
In Orange Scare

TEL AVIV, Feb. 12 (Reuters).—Israel will lose up to \$30 million of citrus exports if a one-day drop in sales, caused by the orange scare over poisoned oranges, continues, Knesset economic committee chairman Gad Isacovitch said today.

Citrus picking in Israel has already been cut by a third in line with the drop in demand. Israel's citrus marketing board predicted sales of \$90 million for this season. Board sources said that it was too early to estimate the exact loss caused by the scare. A Palestinian group is claimed responsibility for erucy-injected oranges found in the Netherlands, Britain, West Germany and Denmark.

passengers, one of them a 6-year-old child, were found dead today after a landslide buried their car in the Dolomites north of Bolzano last week, police said.

A 12-year-old girl was crushed to death when a cable-car shelter collapsed in an avalanche in the Alps near Corno yesterday.

Near the skiing resort of Cortina d'Ampezzo, rescue teams worked all night to dig out dozens of people, many of them German tourists, who had been marooned for several hours in snow drifts and landslides.

Heavy snowfalls, frosts and sub-zero temperatures also hit much of France, England and Ireland today causing disruption of road traffic, flights, train services and cancellation of many sporting events.

Horse Racing Canceled  
In England and Ireland, horse racing was called off and nearly 80 soccer and rugby matches were canceled. London suffered its coldest night in years, with temperatures several degrees below freezing.

In France, two football matches were postponed and another canceled today, as snow blanketed much of the country.

Three avalanches in the French Alps cut a main road south of Grenoble. No one was injured.

Airport Terminal  
Meanwhile, the long-distance terminal at London's Heathrow Airport was brought to a two-hour standstill for the second day as airline staff walked out in protest against freezing conditions caused by jammed automatic doors. Only the Air Canada staff was working normally.

In Winchester, eight persons were killed today in the crash of a car and a truck on icy roads. Police said six of the victims, all young men, were killed instantly and two died later in the hospital.

3 Die, 12 Are Injured  
In Indiana Blast

SULLIVAN, Ind., Feb. 12 (AP).—Two persons have been killed and two are feared buried Friday in an explosion and fire that shook the courthouse square of this southwestern Indiana community. Twelve persons were injured, one critically, in the blast.

Police said the explosion on Friday might have been set off when a worker struck a natural gas line with a small earth-mover he was using to clear snow.



**KEEP ON MUCKIN'**—This resident of Sunland, north of downtown Los Angeles, is one of hundreds who spent Saturday digging mud out of homes, garages after mudslide.

## Expected in Tennessee

U.S. Storm Moves Eastward  
After Devastating California

NEW YORK, Feb. 12 (AP).—A storm that devastated California yesterday, is heading for the blizzard-ravaged Northeast, dumping snow across the Rocky Mountains and upper states and was expected to be in western Tennessee by tomorrow morning.

The National Weather Service said it was too soon to say what the storm would be like by the time it reached the East Coast.

Flooding continued in California and portions of the Sacramento River were above the warning stage yesterday morning. Hidden Springs, in the San Gabriel mountains, 25 miles north of Los Angeles, was hit hardest by the storm.

At least nine persons were dead and many more were missing in the Los Angeles area. Authorities said some of the missing may have been out of town.

Forecasters were monitoring the storm system for a possible severe weather outbreak over Texas, Arkansas, Louisiana, southern Mississippi and southern Alabama. The greatest threat could be within 200 miles of the Gulf coast, they said.

## New England Effects

The aftereffects of the blizzard earlier in the week are still being felt in New England. So severe was the weather that there was even a move to change St. Valentine's Day from Feb. 14 to Feb. 17. The Massachusetts Commis-

Lance Is Agent  
Of Group Seeking  
To Control Bank

WASHINGTON, Feb. 12 (WP).—Former Budget Director Bert Lance is representing a group of investors believed to be from the Middle East, who are seeking to buy control of a Washington-based bank holding company, the Washington Post has learned.

Last week, the Lance group sought to gain control of Financial General Bankshares. The \$2.2-billion company controls Union First National bank of Washington and about a dozen other banks in the area.

The Securities and Exchange Commission, which has spent six months investigating Mr. Lance's Georgia financial dealings, has begun studying Financial General's records.

The Office of the Comptroller of the Currency, which investigated Mr. Lance last year before his resignation, interviewed principals of the bank holding company yesterday to learn what it could about the take-over attempt.

Principals and attorneys of Financial General refused comment yesterday on the Lance report, and Mr. Lance could not be reached for comment.

Treasury Chief,  
Finance Leaders  
Hold Paris Talks

PARIS, Feb. 12 (AP).—Treasury Secretary Michael Blumenthal and Federal Reserve Bank Chairman Arthur Burns were meeting here today with finance ministers of leading Western nations.

Although U.S. and French officials avoided comment on the meeting, a British Treasury spokesman confirmed in London that Chancellor of the Exchequer Denis Healey arrived here during the day "for a meeting of the finance ministers of leading industrialized countries."

The other nations involved were believed to be West Germany and Japan.

It was believed that the meeting, and another of central bankers in Basel tomorrow, would consider the recent U.S. success in shoring up the dollar against strong foreign currencies and the current troubles of the French franc, under speculative attack for the last 10 days.

Indians March  
Across U.S. in  
Treaty Protest

SAN FRANCISCO, Feb. 12 (Reuters).—Two dozen Indians smoked peace pipes and prayed yesterday before beginning a walk across the United States to protest proposed legislation to restrict their rights.

The Indians hope to meet President Carter at the end of their 3,000-mile journey to discuss congressional efforts to limit hunting and fishing rights that they say were guaranteed in treaties.

The pipe-smoking ceremony took place on the former prison island of Alcatraz in San Francisco Bay. Alcatraz was occupied by Indians for 15 months starting in 1969 to protest discrimination.

## Through Low Consumption

Texan's Vapor-Fuel System  
Defies Law of Autodynamics

By John M. Crewdson

EL PASO, Texas, Feb. 12 (NYT).—One Saturday morning last spring, Tom Ogle, a 25-year-old mechanic, climbed behind the wheel of his old Ford and took off for the small town of Deming, N. M.

By late afternoon he was back, having made the 200-mile round trip on what accompanying reporters said was precisely two gallons of gasoline, and perhaps having made engineering history.

The secret of the Oglemobile, as it has become known, was not in its fuel pump or carburetor, but rather that it had neither, running instead on gasoline fumes fed directly into the engine's combustion chambers.

Nine months after his initial road test, Mr. Ogle remains convinced that he has found a cheap and efficient way to take advantage of nearly all of the energy contained in gasoline.

Mr. Ogle also claims that his vapor-fuel system will reduce automobile emissions to practically nothing, eliminate most of the vibration and heat that contribute to engine wear, run well on a variety of fuels and even clean the spark plugs as it operates.

Within a year, he expects that his fledgling company, Ogle Fuel Systems, backed by a wealthy, anonymous private investor, will have his invention on the market for as little as \$100 a unit.

Within a few years, he predicts, it will be one of the biggest corporations in the United States.

"After all," he says, "everybody in the world is going to have to have one, aren't they?"

Mr. Ogle has become something of a hero to the people of El Paso. "People around here are pretty sold on it," said Robert Levy, a physicist who is one of the few skeptics. "I get quite a bit of flak for coming out against it. People tell me that I'm almost, but not quite, un-American. People want to believe that something like this is possible."

Mr. Levy insists that the laws of thermodynamics make it impossible for anyone to drive a 5,000-pound car much more than 50 miles on a gallon of gasoline.

## Another Demonstration

Two weeks ago, Mr. Ogle gave another demonstration, this time in the garage that serves as his headquarters. Fitted with a conventional carburetor, the test engine—a high-compression V-8—consumed nearly 1 1/2 gallons of gasoline in half an hour. When Mr. Ogle switched to his own system, the engine burned little more than half a gallon in the same time.

Mr. Levy attended that demonstration, but he remains unconvinced. "I'm suspicious of any experiment that's conducted by the person that's benefiting from it," he said, adding that he had offered to wager Mr. Ogle \$1,000 that his machine could not pass a test

designed by Mr. Levy. The offer, he said, was not accepted.

Was he suggesting that the Oglemobile was a fraud? "That's exactly what I'm saying," he replied.

Mr. Levy is not the only doubter. A few days after the test drive to Deming last May, Richard Hurn, an official of the Department of Energy engaged in auto-engine research, examined the Oglemobile and was unimpressed.

"I saw no evidence of an obvious hoax," Mr. Hurn said. But he said he agreed with Mr. Levy that two gallons of gasoline did not contain enough energy, measured in British thermal units, "to move a car that far, even if you used all of the energy" of the two gallons, something Mr. Hurn said had never been done.

"These physics professors," Mr. Ogle said when asked about some of the criticisms, "how do they know you can only use so many BTUs? Mathematically, I can prove to you that a bumble bee can't fly."

"We're not going to sell out at any price," he said. "We're going to get it to the public."

## Test Invitation

"Want to see it run?" he asked two visitors the other morning, inviting them to inspect his for hidden fuel tanks or other devices. He explained how warm water from the radiator turned the gasoline to vapor. Mr. Ogle pressed a button and the engine started.

As the engine roared on, the speedometer climbed to 55 miles an hour. Gauges that measured carbon monoxide and hydrocarbons, two major auto pollutants, hovered barely above zero. From the exhaust pipe rushed a jet of air, hotter but without the familiar noxious smell. After the engine had run for an hour, the water in the radiator was only lukewarm. An oily spark plug installed before the test came out clean.

But when he measured the fuel that had been consumed, Mr. Ogle was disturbed to learn that the engine had used slightly more gasoline than in the demonstration two weeks ago. "I still have to get some of the bugs out of it," he said.

Carter Makes  
Stopgap Move  
In Coal Strike

In Attempt to Ease  
Effect of Shortages

By Helen Dewar

WASHINGTON, Feb. 12 (WP).—President Carter yesterday ordered stopgap measures to minimize hardships caused by the 60-day-old coal strike but continued to withhold use of executive power to end the record-long mine walkout.

Mr. Carter took the action as the striking United Mine Workers remained paralyzed by an internal impasse over a tentative contract negotiated earlier in the week with the nation's bituminous coal operators.

The union's intramural strife enhanced prospects that the strike will last long enough—probably at least through this month—to cause acute energy shortages in Ohio, Pennsylvania, Indiana, Tennessee and Appalachian and Midwestern states that are heavily dependent on coal. Major power outages are already planned and industrial layoffs threatened.

"Before the strike is over, and for several weeks thereafter—until the normal flow of coal is restored—even greater hardship will occur," Mr. Carter said in urging voluntary energy conservation as well as ordering various administrative steps to ease the strike's impact on the public.

## Plans Sought

He asked the Energy Department to draft plans for possible emergency movement of coal from surplus to shortage areas and to continue its efforts to reroute electricity to areas of greatest need.

In another effort to make more efficient use of dwindling coal stocks, he instructed the Environmental Protection Agency to give "expedited review" to requests for temporary relaxation of federal clean air standards that impede efficiency.

For Ohio, which has been hit hardest so far by the strike, he declared a regional energy emergency under which the state could suspend federal anti-pollution regulations for 30 days.

Mr. Carter also ordered federal facilities in states with coal shortages to reduce power consumption to "minimum-necessary levels." Instructed law-enforcement officials to plan for peace-keeping in violence-prone strike areas and set up a federal-state task force to work on power-allocation and job-impact problems.

The President reiterated his belief that the situation still does not warrant invoking injunctive powers of the Taft-Hartley Act, under which the 160,000 striking miners could be ordered back to work for an 80-day cooling-off period.

## Below Normal

Coal is still being produced by non-UMW mines, but at rates considerably below normal. UMW miners normally produce about half the nation's coal. Production currently is running at about one-third normal levels.

The UMW's bargaining council has refused to approve a tentative agreement signed last Monday by UMW President Arnold Miller.

The 90-member council informally rejected the pact Friday, although it was made public only after Mr. Miller, charging "intimidation" by several hundred miners who were protesting outside UMW headquarters, refused to attend and thus give legal sanction to the meeting. The council today ratified Friday's decision.

The proposed pact would increase total compensation by nearly 37 per cent over three years, the largest overall increase for any major industrial union since the last UMW contract in 1974. Average hourly wages would rise from the current \$7.80 to \$10.15 by 1981.

It also would guarantee payment of pension and medical benefits, which are not now guaranteed and have been cut off. It also would impose stringent labor stability and cost controls, which, coupled with internal union politics and Mr. Miller's awkward handling of the package's presentation, have created the present impasse.

U.S. Divers' Death  
Ends North Sea Test

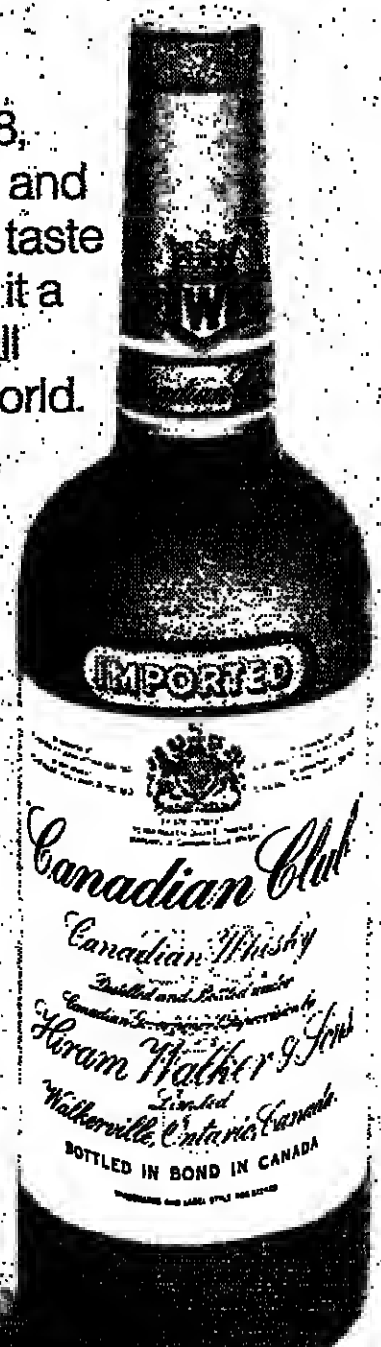
OSLO, Feb. 12 (UPI).—The recent death of an American diver engaged in experimental welding of oil pipelines caused the Norwegian Norsk Hydro Power Co. to cancel the experiment, a company spokesman said.

The welding experiment, part of a project to build underwater pipelines from the Statfjord oilfield in the North Sea to the Norwegian mainland, was called off after the diver, David Hoover, 28, was found dead Tuesday outside a diving bell at a depth of 985 feet. The cause of Mr. Hoover's death was not known.

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## But Not Unduly Alarmed

Probers Puzzled by Shutoff  
Of All 3 Jets on U.S. Airliner

By Richard Witkin

NEW YORK, Feb. 12 (NYT).—Investigators have been putting in long hours searching for the unusual loss of power by all three engines of a National Airlines jet two weeks ago.

Although the incident subjected passengers to two minutes of anxiety, the Boeing 727 was apparently not in any danger. Safety experts are not unduly alarmed about what happened.

But they are still puzzled by aspects of the power loss by the three Pratt Whitney JT-8D turbofan engines. They also are intent on determining what steps may be needed to rule out a repetition of the incident. The general view is that any corrective should not be too difficult, perhaps nothing more than a refinement of procedures.

In short, the type of equipment involved is considered thoroughly trustworthy. As a matter of fact, the plane on which the shutdown occurred was back in service with the same three engines the next day.

The incident occurred on the morning of Friday, Jan. 27. The plane, carrying 104 passengers and a crew of seven, was cruising at an altitude of 33,000 feet, 150 miles off the Florida coast on a flight from Miami to Newark, N.J., by way of Fort Lauderdale. After its departure from Lauderdale, the craft encountered thin, light clouds from 22,000 feet upward.

According to a spokesman for the National Transportation Safety Board, which is investigating the incident, the first sign to the crew of anything unusual was fluctuation of a pressure gauge for the No. 1 engine. All three engines are mounted on the rear of the plane and the No. 1 is on the left side.

A flight engineer reportedly turned on the engines' anti-icing systems and the systems for heating the fuel.

Andreotti Is Seen  
Confident on Bid

ROME, Feb. 12 (Reuters).—Italian Premier-designate Giulio Andreotti believes he can form a new minority Christian Democratic government with Communist backing within 15 days, an authoritative source said yesterday.

Mr. Andreotti is working out the framework for his projected government, which would give a substantially increased role to the Communists.

Christian Democrats would, however, remain in control, as they have for the last 30 years, and the Communists would not achieve their goal of gaining cabinet posts.

China Airline to Start  
Zurich Flights in May

BERN, Feb. 12 (Reuters).—China's state airline, the Civil Aviation Administration of China, will begin flights to Switzerland in May following discussions here with Swiss aviation authorities, the Federal Air Office said.

The Chinese airline will fly between Peking and Zurich with stops at Trumchi, capital of China's Sinkiang Province, and Begrode. Swissair has been operating once-a-week flights from Zurich to Peking since April, 1975.

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PARTING GLANCE—Vladimir Souvorov, second secretary of the Soviet Embassy in Ottawa, being escorted by his plane for his return to the Soviet Union. He is one of 13 Russians who have been barred from the country for security infiltration plot.

## Recruited as Double Agent

## Communist Envoy Said Used as Canada Spy

OTTAWA, Feb. 12 (Reuters).—Two newspapers reported yesterday that the Canadian security services had recruited a Communist diplomat as a double agent.

The Edmonton Journal, which broke the news of last week's spy scandal that led to the expulsion or blacklisting of 13 Soviet personnel, said that the unidentified diplomat was either Russian or from another Eastern-bloc nation.

The Ottawa Journal quoted unidentified sources as saying that the Royal Canadian Mounted Police had enlisted a double agent said to be attached to the Soviet Embassy in Ottawa.

The Ottawa newspaper said that the RCMP had cracked a Soviet spy network directed against Canada and its NATO allies. An RCMP spokesman declined comment.

Senate Confirms  
Webster for Term  
As FBI Director

WASHINGTON, Feb. 12 (UPI).—The Senate has confirmed J. Edgar Hoover as director of the FBI for a term of 10 years.

At the same time, the Senate approved the appointment of Frank Carucci as deputy head of the CIA. Both nominations cleared the Senate by voice vote without dissent. Only a few senators were present.

Mr. Webster was nominated to head the FBI after President Carter's first choice, U.S. District Court Judge Frank Johnson of Alabama, withdrew from the appointment because of ill health. Mr. Webster replaces Clarence Kelley, a career police officer, who will step down Feb. 15.

Gaullist Leader  
Says Left Would  
Paralyze France

PARIS, Feb. 12 (Reuters).—Gaullist party leader Jacques Chirac warned his followers yesterday that leftist events would follow a leftist victory in the general elections next month.

The first round of the two-stage election is scheduled for March 12.

Addressing a large Gaullist rally in Paris, Mr. Chirac said, "The Communist party has the means to paralyze you and to paralyze France."

The meeting was held after the latest opinion poll published in the magazine Le Point, showed the leftist opposition—made up of Socialists, Communists and Leftist Radicals—ahead with 52 per cent of the votes and the government coalition, which includes Gaullists, President Valéry Giscard d'Estaing's Republicans and Conservatives, trailing with 44 per cent. Two per cent of those polled favored ecology candidates, and 2 per cent was polled by various other parties.

According to this poll, the left will win a 33-seat majority in the National Assembly if the parties agree to back each other's second-round candidates. If no such agreement is reached—and the Communists have refused to commit themselves to one—the poll says that the government parties will have a majority of 283 seats.

Rock-Hurling Youths  
Attack Mrs. Gandhi

NEW DELHI, Feb. 12 (UPI).—Youths threw rocks at former Prime Minister Indira Gandhi today as she addressed a local election campaign rally in eastern India, the national news agency Samachar reported.

The rocks narrowly missed Mrs. Gandhi, but an aide was slightly injured when one hit his arm, the report said. Security men assigned to Mrs. Gandhi by the government protected her with pillows during the 15-minute speech from a raised platform.

WOMAN AND GRANDSON  
Die in Belfast Fire

BELFAST, Feb. 12 (Reuters).—A 70-year-old woman and her 10-year-old grandson were killed yesterday when fire swept through their North Belfast home after a bomb explosion.

Police found the remains of a firebomb in the debris but could offer no motive for the explosion. They said that no one in the household was connected with security forces or other paramilitary groups in the British province.

In Oregon, Students Eschew Pot,  
Choose Chaws, but Need Spittoons

BEND, Oregon, Feb. 12 (AP).—Some school officials may worry about students smoking marijuana, but they have a different kind of problem—chewing tobacco.

School officials complain that grade-school tobacco users are defacing school property by depositing chewed tobacco in drinking fountains, in hallway floors and on bathroom walls.

"It's a filthy habit," says teacher William Beau of the Paulina Elementary School near here. "But at least 25 per cent of all the boys in the school chew tobacco. We find the evidence in the bathrooms."

Lowell Pearce, principal at Bend High School, blamed the children's elders. "These kids often grow up on farms and ranches where the parents chew," Mr. Pearce said. "They are outdoors people, and it's a way of life. But in a society of 2,000 people, we have to get along with each other. We just provide spittoons."

Some officials say the children are trying to imitate adults, but Nick Johnson, a Bend High sophomore, says he chews for another reason. "It helped me quit smoking," he says. "I'll probably quit chewing, though, because it's pretty rasy stuff."

## Aide Eisenhower Is Installing It

## Carter Revamping Process of Domestic Policymaking

By David S. Broder

WASHINGTON, Feb. 12 (WP).—During the transition period in December, 1976, a senior member of President Ford's White House staff was asked his impression of the members of President-elect Jimmy Carter's crew with whom he had been meeting.

"They're very smart," he said, "but very naive."

Pressed for examples, he named one of the President-elect's top assistants and said, "That fellow has one of the best minds I've ever met. But he really believes that when he gets here, the people in the departments will be working for him."

"That fellow," Stuart Eizenstat, the assistant to the President for domestic affairs, now is quietly putting into place a system designed to see that the President's goals really are reflected in the policy proposals coming from "the people in the departments."

Mr. Eizenstat's new domestic-policy process is aimed at increasing the President's ability to oversee and control every step in framing major domestic programs.

Not the Purpose  
It also may strengthen the power of the White House staff to second-guess the departments and agencies, but everyone in-

voiced says that is not its purpose.

The new technique has been borrowed from the National Security Council machinery developed in the 1950s and 1970s by such strong-minded presidential assistants as McGeorge Bundy, Walt Rostow and Henry Kissinger.

Again, everyone insists it will not push the domestic departments as far from the policy-making controls as some State Department officials felt. They were pushed by Mr. Bundy, Mr. Rostow and Mr. Kissinger.

The new process was recommended last July as part of the Executive Office reorganization plan. It reflected the judgment of Mr. Carter's reorganization team and senior White House aides that domestic policy-making in the frantic first months of the administration was far from the model of efficiency that it could be.

Keep Ideas  
Mr. Carter had entered office committed to the idea of Cabinet government—an ideal he and his aides insist remains intact.

But the early energy and economic stimulus programs were put together in a hasty, patched-together process that no one wanted to see continue.

So Mr. Carter announced on July 15 that he was going to "institute for domestic and economic issues a system similar to the presidential review memorandum process currently used for national security issues."

At the same time, Mr. Eizenstat was given "clear responsibility for managing the way in which domestic and economic policy issues are prepared for presidential decision."

It has taken seven months for applied, but in the last few weeks, several issues have been ticketed for handling by the new system.

See, Scope  
Among them are the size and scope of benefits for Vietnam veterans, the laws affecting the mining of non-fuel minerals and the protection of privacy in this country.

Soon to be launched, under the new process, are studies of ocean policy and arts and cultural policy, Mr. Eizenstat said.

The largest and most ambitious project being tackled with the new technique is the development

of a national health insurance plan. It is that project which has stirred talk of a White House power play at the expense of departments and agencies.

The Washington Report on Medicine and Health, a newsletter, reported recently that "in effect, it takes the ball out of agencies' hands and puts it in the hands of the White House."

That interpretation is denounced by both Mr. Eizenstat and HSW officials.

Early, Continually  
"I'm not denying that it involves us early and continually in the formation of policy," Mr. Eizenstat said, "but that was occurring anyway. It just formalizes it."

HSW under secretary Hale Champion, the department's key architect on national health insurance, said, "It looks to us as if this will just formalize and, we hope, shorten the process of dealing with a number of agencies on a crosscutting issue. . . . It works the way it's intended to, it should help."

Mr. Eizenstat said the new system is intended to work only on a selected range of subjects. It is suitable, he said, where an issue "can be dealt with in some-

## James Conant, Educator, Scientist

NEW YORK, Feb. 12 (NYT).—James Bryant Conant, 84, the distinguished scientist, educator and diplomat who served as president of Harvard University from 1933 to 1953, died yesterday after a long illness.

Shortly after his inauguration in 1933 as Harvard University's 23d president, Mr. Conant told a dinner gathering at the Harvard Club of New York that "the situation in which I find myself" recalls an experience of Sir William Osler, the physician, while touring in Canada. It was spring. The roads were very muddy. Sir William came to a signpost which read, "Choose your rut now; you will be in it for 35 miles."

Mr. Conant led Harvard for 20 years, but the lean, self-effacing 5'-x-footer was never in a rut, then or after. He left a brilliant career in chemistry to accept the university's presidency and his resignation in 1953 at the age of 63 marked only the beginning of distinguished roles as diplomat and almost single-handed reformer of an old-schoolmaster to U.S. public education.

As a prelude to his diplomatic service, Mr. Conant had served in World War II as a scientific adviser to the government on the atomic bomb project and was one of those involved in the selection of the target in Japan for the first bomb, which was dropped over Nagasaki on Aug. 6, 1945.

Social Dynamic  
Mr. Conant, who spent the major part of his life in the leadership of higher education, perhaps will be best remembered in popular lore as the man who warned of the "social dynamite" accumulating in the cities and who tried to chart a course of improvement for the nation's secondary and elementary schools.

Mr. Conant was born in Dorchester, Mass., on March 26, 1893. His father, James Scott Conant, was a photographer who had fought in both the Army and Navy during the Civil War. His mother, Jennett Orr Bryant Conant, was a daughter of Seth Bryant, an ardent promoter of William Jennings Bryan.

Young Conant went to the Roxbury Latin School, although it required his mother's strong-willed intervention to gain him entry after he had failed the spelling examination given to candidates for admission.

Despite this difficulty in spelling, which he later said he never overcame, the youth was a bright student who soon demonstrated a flair for chemistry. At home, he anticipated consumer research groups by making analyses of his mother's groceries to show that she was paying too much for the family food. His mother remarked afterward, "Thank you for a formula for everything. He will be a success."

The young man entered Harvard in 1910, completed the four-year course in three years and was graduated with a BA degree and a Phi Beta Kappa key.

After a short time at the Midvale Steel Co. laboratories in Philadelphia, he went back to Harvard and received his PhD

degree in 1916. During World War I, Mr. Conant first engaged in research in Washington on Lewisite, a poison gas. In August, 1918, he was commissioned a major in the Chemical Warfare Service and sent to Cleveland, where he helped plan a war gas production unit in a converted automobile factory.

After the war, Mr. Conant returned to Harvard as assistant professor of chemistry. In 1929, he was elected Sheldon Emery professor of organic chemistry, in 1931, he became chairman of the Chemistry Department, which he ran with exemplary efficiency.

In those dozen years, Mr. Conant became highly respected among scientists for his work on the nature of chlorophyll, the green substance in plants, and hemoglobin, contained in the red corpuscles in blood. He was seen as a possible Nobel Prize-winner.

On Nov. 21, 1933, Harvard was surprised by the announcement that A. Lawrence Lowell, president of the university since 1909, was stepping down from his post.

The Harvard Corp. screened many candidates for the position,



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Harry Martinson Dies at 73;  
Writer Won '74 Nobel Prize

WASHINGTON, Feb. 12 (WP).—Harry E. Martinson, 73, Swedish author and poet who was co-reipient of the Nobel Prize for literature in 1974, died yesterday in Stockholm after a long illness.

Both he and the late Eyvind Johnson, who shared the prize with him, were virtually unknown outside of their homeland at the time of their selection for the prestigious award.

Announcement of their winning prompted protests and criticism since the two had only limited international reputations.

At the time, Mr. Martinson explored the criticism and said that he was sad because of the misunderstandings. Part of the reason that the fame of the two authors was limited to Sweden, he suggested, was the

quality of the "best translate people who know how to translate from a big language to English to a small one to Swedish" and vice-versa.

There was further criticism because both men were members of the Royal Swedish Academy of Letters, which selects winners.

Mr. Martinson was chosen "for writings that catch the drops and reflect the cosmos." Born in Jansko, Sweden, he was orphaned as a child and away to sea at the age of 14. He exploited as a stoker, ship's cook and beggar in the world's harbors formed the background for his early writings.

In 1974, his four books available in English were "Cape Fear," "Flowering Nettles," "The Road" and "Anansi." The known was the long narrative poem "Anansi," a tale of a glacial spaceship cruising into the void examining in allegory man's journey through time.

An opera written in 1958 to Swedish composer Karl-Birger Blomdahl, and based on "Anansi," was performed in Montreal at Expo'67.

Mr. Martinson and Mr. Johnson were Sweden's fifth and sixth Nobel literature winners since the prize was first awarded in 1901. Mr. Johnson died in Stockholm in 1976.

Bill to Rescue  
Redwoods Passed  
Over Protests

SAN FRANCISCO, Feb. 12 (AP).—After a 10-year battle, victory appears near for environmentalists who want to exile loggers from a 48,000-acre area of redwoods and save some of the tallest trees in the world.

A bill to buy the privately owned property and put it in Redwood National Park passed the House last week by a vote of 328-60. A Senate version of the bill passed, 74-20.

"This is a great day for the redwoods," said Mike McCloskey, executive director of the Sierra Club. His group led the effort to save the trees. Timbermen opposed the bill.

Loggers say park expansion would cost them jobs. They also claim expansion is unnecessary because they replant harvested forests.

Rep. Phillip Burton, D-Calif., said both bills now move to a joint committee to try to resolve differences between the separate versions.

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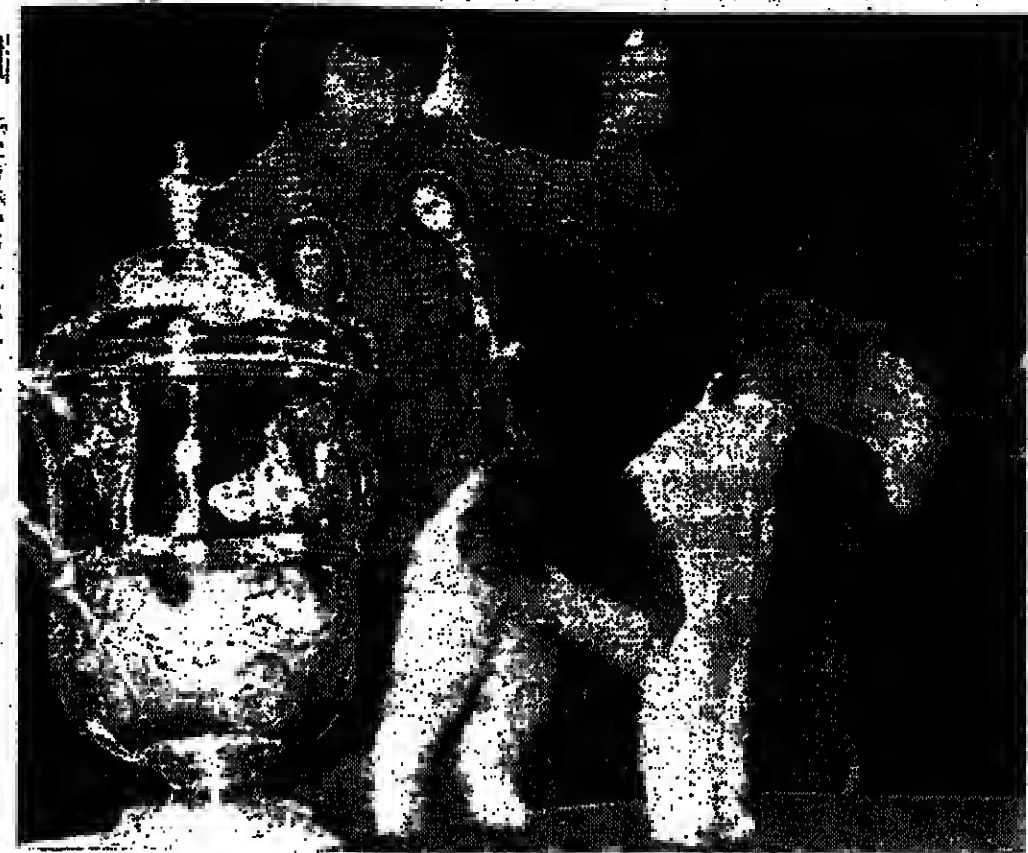
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**TOP DOG**—Champion Harrow Hill Huntsman, a tan-and-white wire-haired fox terrier known informally as Ted, shows off trophy after he was declared supreme champion at the Crafts dog show in London Saturday. With him is his owner, Evelyn Howies, of Harrow-on-the-Hill, Middlesex. The victory is worth more than \$75,000 in stud fees and endorsements. There were more than 10,000 entries.

### 12 Commonwealth Leaders Unhurt

## Sydney Blast Kills 2 at Regional Talks Site

**SYDNEY, Feb. 13 (Monday)**—A bomb blast early today killed two people and injured six others at a site where 12 Asian and Pacific Commonwealth regional leaders were meeting.

The blast occurred about an hour after the leaders had gathered for a breakfast. The explosion was heard by many people in the area. The blast occurred about an hour after the leaders had gathered for a breakfast. The explosion was heard by many people in the area.

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## Congress Urged Not to Link U.S. Pullout to Korea Scandal

By Bernard Weinraub

**WASHINGTON, Feb. 12 (NYT)**—A Senate Foreign Relations Committee report urged Congress to avoid linking the planned withdrawal of U.S. ground troops from South Korea to the investigation of the scandal involving the U.S. military.

The report said that the United States must proceed cautiously with its pullout plans over the next four to five years, and that the "current imbalance between the North and South Korean forces" warrants close attention.

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## Hanoi Sets Fee For Overflights by ICAO Airlines

**BANGKOK, Feb. 12 (UPI)**—Hanoi will permit U.S. and South Korean airlines to fly over Vietnam, but Pan American World Airways and Korean Airlines will be charged a fee for each overflight.

The fee is set at \$250 for each overflight. The fee is set at \$250 for each overflight. The fee is set at \$250 for each overflight. The fee is set at \$250 for each overflight.

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## Cypriot Freighter Seized by Turks

**ATHENS, Feb. 12 (Reuters)**—A Turkish cargo ship towed a burning Cypriot freighter into a Turkish port yesterday after cutting the tow rope of a Greek vessel trying to take it to Greece.

The ship reported a fire and its 14-member crew—five Greeks and nine foreigners—abandoned ship, he added.

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## Cosmonauts Set Space Record

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# Peasants Force China Chiefs To Listen to Local Demands

By Jay Mathews

**HONG KONG, Feb. 12 (UPI)**—The new Communist official in the Little county of eastern Kwangtung thought that a troublesome village needed a demonstration of party authority. He confiscated the profitable village fish ponds and bamboo groves and deposed the village elder who had been production chief.

Now it was the peasants' turn to teach someone a lesson. Before relinquishing rights to the ponds, they netted all the fish and ate them. And they refused to obey the new production leader, not a member of the dominant village family like his predecessor, and at the annual village election they gave the old chief the most votes—an open act of defiance.

After 29 years of power, China's Communist party looks from the outside to be as powerful and authoritarian as any government in the world. But interviews with refugees here and with foreign scholars and a few candid articles in the Chinese press indicate that, in the villages where decisions directly affect people's lives, the party is not supreme.

In part because of party rhetoric about the will of the masses and government by persuasion, local officials have reluctantly compromised even on issues that their superiors in Peking have said were vital. As Peking is again pushing rapid changes in policy, the drag of 800 million persons taking their time has produced considerable friction.

In the Kwangtung village, according to a refugee who emigrated here, the peasants eventually got back their fish ponds, bamboo groves and production chief.

The new party official was dismissed by superiors who were annoyed at all the fuss, and a former party chief, a victim of an earlier purge, returned to try to restore the informal agreements and comfortable shortcuts

that make a peasant's life more acceptable and his feelings about the party more benign.

An emigrant who once worked in Tientsin recalled what happened when his political discussion group, a required part of Chinese life, met during the 1976 campaign to criticize Vice-Premier Teng Hsiao-ping. The pragmatic, energetic Mr. Teng, although temporarily in political limbo, was popular with the group. When the group leader asked for comments on Mr. Teng, "none of us said a word. He tried a couple more times, then gave up," the emigrant said. "I'm sure he made up something for his report to his superiors. He had to protect himself, and anyway I think he probably agreed with us."

**Violations Ignored**  
Since party policy changes so often, officials frequently ignore violations until the policy is reversed. "In recent years, I pay my party membership dues but keep

what I have to say in my heart," a man wrote anonymously to the People's Daily, China's main newspaper.

Now, party leaders in Peking are applauding those who dragged their feet when the disgraced, dogmatist Gang of Four, led by Mao Tse-tung's widow, Chiang Ching was in power. But they seem amazed that local officials supervising peasants and workers are not quicker in executing the policy changes of the new Peking leadership's local cadres.

"They busy themselves in routine work all day long," said a broadcast from Hunan, Chairman Hua Kuo-feng's political base. Peking wants local leaders to discipline swiftly any who might have followed Gang of Four policy and tighten some lax accounting procedures that have probably provided peasants with extra income.

John Burns, a Hong Kong University tutor, has studied local peasant demands made on the party, such as village elections or

passive resistance. A refugee told him of the reaction of three villages to an announcement that a road would be built through some of their farmland. "They refused to send labor to build the road and withheld cooking oil and other stuff needed by cadres at the brigade level," Mr. Burns said.

The brigade party leaders did nothing about it for a year; then they worked out a compromise. The other seven villages—or production teams as they are called—making up that brigade, sent labor crews to open new farmland to compensate the three villages for what they would lose because of the road. Everything settled back to normal.

In the present campaign to punish those allied with the Gang of Four, or responsible for any of the economic disruption of the last few years, the pressure to compromise has become unmistakable.

At the beginning of the campaign, party bulletins said that

all wrongdoers had to be punished.

Now, an official broadcast from Hupei Province praises a commune for distinguishing between "those which have carried out ordinary sabotage and those who have done serious sabotage."

Chinese leaders like Mao argued that the Russians created more enemies than friends for the party with their heavy-handed purges. The disastrous results of the Cultural Revolution purges of the late 1960s apparently convinced Mr. Hua and other Peking leaders that it was better to move cautiously and avoid exacerbating old feuds.

### Appeals in Press

But Peking still wants its orders obeyed, and disloyal persons re-educated or removed. They use a method that in a U.S. context might be called jawboning—sharply worded appeals in the press.

"Some people of the few units which have done a poor job of conducting the movement are factious," said a recent broadcast from the troublesome province of Anhwei. "They are engaging in feuds and are fighting for high position. They are competing with each other for power and victory. Some people feel gloomy, fear the wolf in front and the tiger behind. They are soft-headed and dare not act and leave ground for retreat. They dare not boldly mobilize the masses. Thus the movement there is in a lukewarm state."

As long as the Chinese are confident that the authorities will not be too harsh and will take the slightest excuse to look the other way, they have some freedom of movement. A westerner in Peking overheard a militia officer challenge a youth putting up a wall-poster that criticized his factory's management. "Do you have proper authorization?" the militiaman asked. "Yes," the youth said, and his challenger immediately relaxed. "Well, then, that's all right," he said, and went his way.

### After Four-Day Debate

## Lisbon Assembly Approves Austerity Plan

**LISBON, Feb. 12 (UPI)**—The Legislative Assembly today gave Portugal's new Socialist-conservative government the go-ahead to introduce severe austerity measures aimed at strengthening the nation's economy.

The assembly approved the Cabinet's program at dawn after an all-night session ended four days of debate on the policies in the program.

Premier Mario Soares called the vote a mandate for the coalition between his Socialist party and the conservative Center Democrats to rule Portugal until general elections are held in 1980.

Under the new program, the government vowed to stabilize

unemployment at 18 per cent with new investment. It said that it would also impose broad import restrictions and a general increase in taxes.

The program also stressed plans to lower the nation's 36-per-cent inflation and hold wage increases to less than 20 per cent.

The emphasis on economic recovery was aimed primarily at creating the conditions needed to obtain International Monetary Fund approval for loans of \$800 million.

**Payments Deficit**  
As a prerequisite for this approval, the IMF has demanded that Portugal reduce its \$1.3-billion balance-of-payments deficit by sharply curtailing consumption of foreign-made goods.

The program prepared by the

Cabinet plans to do this through a series of measures including higher duties and severe restrictions on nonessential imports of all kinds.

At the close of the debate, Mr. Soares told the legislators that the policies devised by the government were the only answer to the nation's economic problems. He castigated the opposition for failing to offer any viable alternative while attacking the program during the debate.

"The debate did not reflect the grave situation the country is passing through," he said. "There were calls for rejection of the program, but no one indicated alternatives to this program, this government or to this governmental formula."

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**MOSCOW, Feb. 12 (Reuters)**—Two cosmonauts set a Soviet space endurance record yesterday by staying in their orbiting space station more than 73 days.

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## Selling Jets to Egypt

Sophisticated arms often symbolize modernity. A developing country mired in economic and social problems can still evoke a moment of national pride and a sense of progress with a fly-over by a squadron of jet fighters. Arms are also symbols of gratitude and confidence. What better way than by bringing home an American commitment to sell him jets can President Sadat show the Egyptian people that, despite the absence of evident progress in bridging the gap with Israel, he and his people have a friend in Washington?

Although Sadat hinted during his recent visit that he would ask for the same late-model aircraft the United States is supplying to Israel—F-15s and F-16s—he is surely too much of a political realist to lodge such a request formally. But he still has on the table from last spring a serious request for F-5s—lightweight, inexpensive, easily maintained, highly maneuverable interceptors whose short range and limited carrying ability make them ineffective in ground-attack missions. Sadat wants F-5s, he says, to deter air attacks from Libya (the two nations fought a short, sharp war last July) and to protect his ally, President Numeiri of the Sudan, against either Libyan or Soviet-supported Ethiopian incursions.

On strictly military grounds, Sadat's request makes sense. Egypt's force of aircraft, supplied by the Soviet Union in the salad days of the Moscow-Cairo relationship, is now wilting. F-5s would be no match for Israel's first-line aircraft, and thus would not seriously affect the balance of power across the Middle East's most dangerous fault line. But they would be effective in the contingencies Sadat has in mind.

There are political reasons, as well, for the administration to meet Sadat's request—although not at the level of 300 aircraft he indicated. The Egyptian President has taken real risks for peace. In doing so he has isolated himself from most of the rest of the Arab world and has made Egypt highly dependent upon the United States.

Perhaps he overestimates the danger facing Egypt and the Sudan from Libya and

elsewhere, and it is undoubtedly deplorable that sleek jet fighters are such potent symbols in Egypt's complex internal politics. But there is no denying the existence of both the threats and the symbols, nor the desirability of America giving Sadat some tangible expression of sympathy and support.

If the administration does decide to honor Sadat's request, it should be careful not to suggest that it wishes Egypt to play a gendarme's role in its part of Africa. The entire continent is undergoing profound change. Remnants of colonial rule are crumbling. Some makeshift, multiracial states are showing signs of disintegration. Sharp ideological differences persist among adjacent states. And there is a danger that Washington, perhaps swayed by nervous friends, will exaggerate the present scope and future danger of Soviet penetration.

The greatest contribution to peace and security Sadat can make would not be to put down rebellions in neighboring states but to put Egypt decisively on the road to economic growth and redistribution of wealth. The sincerity of his sympathy for Egypt's poor masses is apparent. He also knows that much of the several billion dollars in aid he has received in recent years from a Saudi-led consortium of Arab states has been spent unproductively, mostly on Egypt's massive debt. Now those donors are placing more strings on their support, hoping to assure that it goes to build up Egypt's decaying infrastructure. The United States—which contributes nearly \$1 billion in economic aid annually—and other non-Arab donors are doing the same. (Money for the F-5s would also come from Saudi Arabia, but apparently it would not diminish the Saudi contribution for Egyptian development.) If this aid is to make a real difference, Sadat must be much tougher than he has been with Egypt's swollen, inefficient bureaucracy and with its affluent private interests. That is a campaign even more than his journey to Jerusalem. To tax his courage and political skill.

THE NEW YORK TIMES.

## Beyond Settlements Issue

The squabble over whether Prime Minister Menachem Begin and his government did or did not assure President Carter that Israel would establish no new settlements and expand no old ones in the occupied territories is corrosive and distracting and badly needs to be set aside. We are prepared to accept that, on both sides, words were spoken and heard selectively without there being any intent to mislead. The United States and Israel cannot afford to let a mutual misunderstanding disrupt what ought to be a cooperative and trusting approach to Mideast negotiations.

But Israelis should not kid themselves about the substance of the dispute. Earlier the Carter administration may not have fully understood the determination or the blindness or the weakness, whatever it was, that led Mr. Begin down the new-settlements track. Now it does. Even Foreign Minister Moshe Dayan now acknowledges, as four successive American administrations have insisted, that the settlements may be illegal. If the settlements are not also obstacles to peace—and President Carter has repeatedly claimed they are—then it is up to Israel to prove so. Fortunately, there are tentative glimmers from Mr. Begin that, at least in respect to the Sinai, he is beginning to understand that the settlements can't remain without end.

No one expects Israel at once to disband the old settlements, in their various locations. But the right of Israeli settlements that Mr. Begin claims in "Judea" and "Samaria" cannot be asserted as though Arabs had no say in it; this question should be out on the table. Creating new settlements now, in the West Bank or elsewhere, is reckless and wrong; an embarrassment to Israel's warmest supporters, a provocation to Arabs, a signal

to the United States that Israel is not sincere about peace. At least as long as negotiations are on, Israel's policy, whether stated or tacit, should be: no new settlements or expansions of settlements. Period.

The Israelis are in a funk over President Anwar Sadat's visit to Washington. They don't see or won't, that it was their own aberration that provided the Egyptian leader with his main opportunity to come on as, in Mr. Carter's farewell words to him, "the world's foremost peacemaker." They are now heaping up every real and imagined expression of American partiality for Egypt and coming to the embattled conclusion that they must instantly launch a diplomatic and public-relations counteroffensive. Already a struggle is being organized against the prospective sale of F-5Es to Egypt, though everyone knows that a deal of certain dimensions is a sure thing and, from Israel's standpoint, not really a bad thing, either.

In fact, the real need is not for a propaganda blitz but for a spell of serious negotiation. The immediate focus must be on the American effort to win agreement on a set of "principles" that could lead to a resumption of Egyptian-Israeli political talks. This will require some difficult rethinking by Israel, but there is a promising reward: the prospect of drawing Jordan and Palestinian moderates into the talks and of thereby making it possible for Egypt to go ahead and write a peace treaty with Israel. The opening offer Israel has made on a Sinai withdrawal and Palestinian "self-rule" could then receive the appreciation it deserves and could become a basis for further negotiations. We cannot believe Israelis would put all this in jeopardy for the sake of a handful of settlements.

THE WASHINGTON POST.

## International Opinion

### Europe's Difficult Member

The rows over fishing and the "green pound" seem to have been last straw that have broken the patience of our fellow members, already strained by our inability to meet the agreed deadline for European elections.

The basic trouble is the political atmosphere in this country. Pro-Europeans still feel on the defensive. They know that large sections of public opinion are hostile, skeptical or merely indifferent to Europe.

They know that British actions in Brussels must often be justified in Parliament not by whether they promote European interests but by whether they defend British interests against the threatening incursions of the Europeans.

Decisions must therefore be justified in more nationalistic terms than in West Germany, for instance, where it is still regarded as virtuous to promote the health and development of the Community, provided West German interests receive due regard.

—The Times (London).

## In the International Edition

### Seventy-Five Years Ago

February 13, 1903

PARIS—The Paris Stenographic Society invites shorthand writers to attend the weekly speed practices that are held to prepare for the examination to be held later on by the British Chamber of Commerce. A demonstration with the Lefebvre shorthand-writing machine will be given in French by the inventor at the Young Men's Christian Association, 160 rue Montmartre, the first Wednesday in March.

### Fifty Years Ago

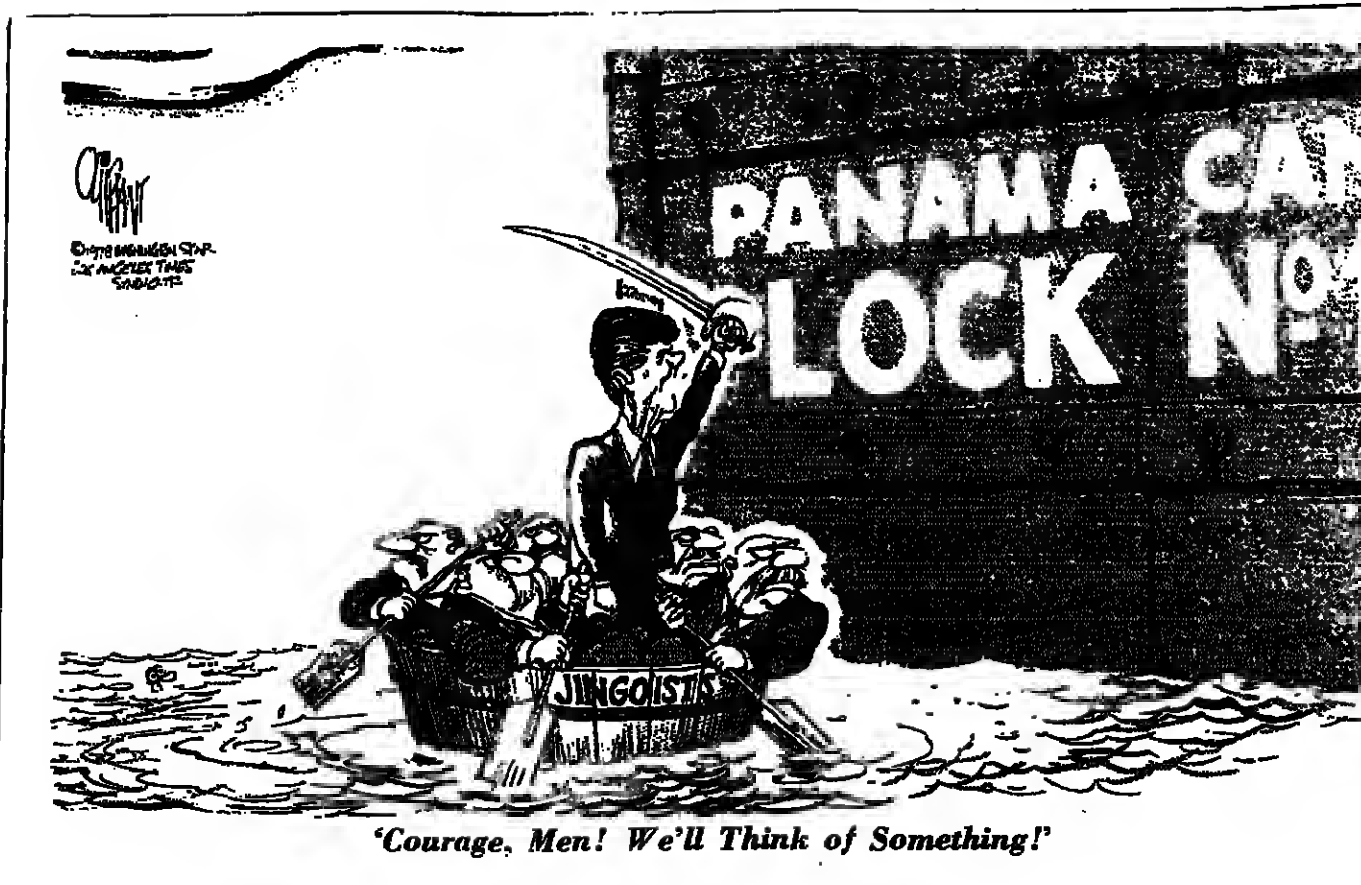
February 13, 1923

PARIS—An account concerning the use of yolks and the whites of eggs by the establishment, Berthia M. Hammond Ltd. of London, which appeared in the New York Herald recently, was wrongly stated. In the article the component parts of the egg were reversed in their uses. It is the yolks of the eggs which are used by the firm in treating the hair, while the whites are used for the cakes.

Americans approach politics with both idealism and pragmatism, the twin features of their Constitution. The French cynically seek to reinforce their preconceptions without reference to facts. As a result, the daily press here is fiercely partisan rather than investigative. Newspapers are filled with opinion, but rarely report political scandals. The Watergate revelations could not have happened in France.

Radio and television are different, though not much better. The three television channels, which transmit only at noon and in the evening, are owned by the government. Radio, partly private, is controlled by the government. Until a few years ago, critics of the government were barred from broadcasting. That policy has been eased, but the ruling political parties still get bigger and more sympathetic coverage.

Symptomatic of political think-



'Courage, Men! We'll Think of Something!'

## A Frenchman Goes Back to France

By Adalbert de Segonzac

PARIS—I recently returned to France after more than two decades in the United States, and to put it mildly, I am suffering from cultural shock. The problem of readjustment to my native land is more difficult than I had expected it would be.

Compared to when I left, people here seem to me to be less open and friendly, more temperamental and disgruntled. They are full of energy and talent; that often appears to be badly misdirected.

As a returning Frenchman, whose nationalistic sentiment has been nurtured by many years abroad, I can take pride in the remarkable economic progress that has taken place here within the past generation. Once a rural economy, France is now a powerful industrial nation, stronger than Britain and second only to West Germany among the nations of Western Europe. The skyline of its big cities, ugly yet impressive, is testimony to the economic growth that has been achieved. Moreover, conditions for Frenchmen of every social class have improved considerably.

Everyone enjoys free education and medical care. Unemployment may be high at the moment, but jobless workers are relatively well protected by compensation. Frenchmen traditionally complain that they are broke, but their wealth is surprising.

A majority of the French own vacation homes of some kind. The number of automobiles, proportionate to the population, is nearly as large as it is in the United States. Though their quality seems to me to have declined, restaurants are jammed and at prices that would shatter Americans.

### Expense

Nearly everything here, in fact, is more expensive than it is in the United States. Television sets are twice as much. So are cars, and gasoline costs three times more than in America. Believe it or not, we pay more for French wines here than we did in Washington.

But while life for most Frenchmen appears to me to be much better than I remember it having been before I went abroad, their gripes are more subtle and pervasive than ever.

Businessmen, for example, contend that their profits are small because they are saddled with heavy social security burdens for their employees and cannot fire workers except under dire circumstances. They overlook the fact, however, that they are supported by government subsidies, especially in export industries, and benefit handsomely from selling their products in the European Common Market.

Workers also grumble that they are not paid as well as labor elsewhere in Europe, but they neglect to mention that they can rely on substantial help from various family, health and other allowances. They are worried by unemployment, but they will not perform menial jobs, which have to be handled by unskilled Africans, Arabs and Asians imported for the purpose.

The political scene, in my estimation, contributes to the grumpiness and divisiveness of the French, and in this respect it is vastly different from the United States.

### U.S. Approach

Americans approach politics with both idealism and pragmatism, the twin features of their Constitution. The French cynically seek to reinforce their preconceptions without reference to facts. As a result, the daily press here is fiercely partisan rather than investigative. Newspapers are filled with opinion, but rarely report political scandals. The Watergate revelations could not have happened in France.

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Symptomatic of political think-

ing here is the attitude of many French to former President Richard Nixon. They shrug off the fact that he violated the law, but see him instead as the victim of a vindictive press. Despite my experience in Washington during the Watergate scandal, I am constantly being told by my compatriots that Nixon was one of the great American Presidents. Once again, it is conviction rather than reality that counts here.

Add to all this my rediscovery of the annoying and contradictory aspects of daily life in Paris—elements that I probably failed to notice before I went abroad. My years in America instilled in me a taste for organization, which seems to be lacking here. People seldom answer mail or telephone calls, and they frequently show up late for appointments, perhaps to establish their

superiority. Driving is a unique adventure. The French seem to turn into monsters behind the steering wheels of their cars, forgetting what little sense of civic responsibility they ever had. They ignore traffic lights, break speed limits and disregard pedestrians, who, it should be noted, are as undisciplined as motorists.

The safest and fastest way to travel here is by Metro, the Paris subway, which is clean, comfortable and silent. Metro stations are being beautified, and they have become improved as well by the presence of jazz and classical musicians, many of them American, who play for passengers in order to earn money.

The disorganization here is ironically aggravated by rules, regulations and bureaucratic red tape. Sending a letter abroad, for instance, requires a tedious visit

to the post office. Why, with the heritage of Cartesian logic behind us, should airmail postage to the United States be more expensive than to Canada?

At the risk of sounding nostalgic, I miss the warmth and comfort of my house in America, which would cost a fortune to duplicate here. I also miss the human rhythm of the United States, and I even miss the brutality, indifference and dynamism of New York City.

There are, on the other hand, the loveliness and sophistication of Paris. But I find, like General de Gaulle, that it is possible to love France and be dismayed by the French—and that may prove my attachment to my country.

Adalbert de Segonzac was formerly Washington correspondent for France-Soir, the Paris daily.

## The Ticking A-Bomb

By James Reston

WASHINGTON—The Carter administration is working along very quietly these days on the creation of a new international political structure for the control and development of nuclear power and weapons.

For officials here have come reluctantly to the conclusion that present national and international regulations are inadequate to stop the spread of nuclear weapons to more nations and even to subnational or terrorist groups.

Accordingly, the administration has a six-point program to bring more order into its nuclear policies at home and abroad. This involves:

- New safeguards to encourage disclosure of developing nuclear programs. For example, a new bill, now in conference, would forbid U.S. nuclear assistance to any country that refused within 18 months to bring all its nuclear projects under international inspection.

- Restraints on the transfer of enrichment and reprocessing technology to countries that refused to abide by international inspection.

- Creation of incentives to avoid developing dangerous aspects of the fuel cycle—for example through the creation of an international nuclear fuel bank.

- Measures to protect the fuel cycle in the face of technological change.

- New regulations for supplier nations to consult with one another and agree on sanctions against any nation violating international safeguards.

- Finally, new regulations to make U.S. domestic policy on, for example, development of the fast-breeder reactor, consistent with its international policy.

All this will undoubtedly lead to considerable political controversy both at home and abroad. For example, Israel has applied

to the United States for a nuclear plant to purify sea water, but has consistently refused to inform Washington about whether it is developing nuclear weapons.

In the future, the Carter administration's policy will be: If no disclosure and international inspection, no nuclear assistance from the United States.

This sensitive, complicated and controversial problem is being studied by, among others, Ambassador Gerard Smith, who negotiated the first Strategic Arms Limitation Treaty with the Soviet Union. He is now Carter's special representative for nuclear nonproliferation matters and U.S. representative to the International Atomic Energy Agency in Vienna.

Smith has been studying this problem for almost 27 years and has come to the conclusion that a major effort must now be made to bring the nuclear control question back to the top of the agenda of world affairs.

In a memorandum he has circulated within the administration, he expresses his anxiety that this problem may be drifting into silence, indifference or even despair.

"Sense of Alarm" he says in his memorandum, "a much heightened sense of alarm about the dangers of nuclear spread. World leaders should make that a constant theme. Widespread and long-lasting information programs are needed to dispel present apathy and ignorance."

"Equally important is the need to dispel a generally held feeling that the quest is hopeless. Some say the genie is out of the bottle. Some add the cross consideration that supplying countries might as well make as much money as they can out of

the traffic. But a good case," he concludes, "can be made for hope."

He notes that no country since 1964 has "admitted" having a nuclear weapons program, and that only one country has conducted an "allegedly peaceful" nuclear test explosion in the last 14 years. But he insists the world is again at one of those critical but silent periods where a "number of countries" are considering whether the "new risks and insecurities" lie on the side of producing their own nuclear weapons or relying on more effective international controls.

Smith is asking some tough questions and even proposing some "painful decisions."

### Incentives

How to provide incentives for nations not to develop nuclear arsenals? Should the nuclear powers not give a clear commitment to the non-nuclear nations not to use nuclear weapons against them? Should the peaceful development of nuclear activities not be regulated by international treaty, with full participation of the non-nuclear states?

Specifically, could there be established, say, over a period of five years, an international authority with broad authority responsibility for assuring that the peaceful uses of atomic energy were advanced while related nuclear materials were not used for military purposes?

### Not Dogmatic

Smith is not being dogmatic about this, and is not suggesting nuclear disarmament or any wide-scale international ownership of dangerous nuclear facilities as proposed in the original "Baruch plan." He is, however, suggesting a move away from "what might presently be called nuclear monopolies to community control," and he is urging a worldwide debate on what could be the pressing issue of the age.

President Carter has talked about this issue on numerous occasions, but usually piecemeal. A special session of the UN, however, will be convened in May on the question, and that will give him the opportunity to bring this back to the consciousness of the world, as he did on the neglected issue of human rights.

## The Canal:

## Dotting

## The I's

By William Buckley Jr.

NEW YORK—Roscoe Drummond, the columnist, having listened to Ronald Reagan give the reasons for his opposition to the Panama Canal treaties, observes that his principal objection appears to be evaporating. Oh, one can continue objecting to any of the myriad terms of the treaties. Indeed, there is the master objection that we shouldn't revise the treaty at all.

But Gov. Reagan's position, like that of most conservatives, has tended to focus less on these crochets than on the main point: Is there an undisputed right by the United States to intervene to guarantee access to the canal; and is there an undisputed right by the United States to expeditious passage? Mr. Drummond, surveying the result of the Baker-Byrd mission to Panama, says that in his judgment all substantial doubt will have been removed by the time the treaties have come to a vote, and I think he is correct.

But a few points should be anticipated here.

There is a word in Latin America which is so freighted with historical odium that no country will permit its use except negatively. If you can imagine Congress passing a law saying that "no one shall be denied the use of public facilities not even if he is a nigger, a kike, or a Mick," you will begin to understand what it is for a Latin American country to sign a treaty that grants any other country "the right to intervene."

Intervention in Spanish means only one thing: the right of another country to interfere in the internal affairs of one's own country. Any treaty that granted the U.S. the right to "intervene" in Panama would be defeated at the polls approximately a hundred to one.

The distinction is easier to make schematically than empirically. Situation A: A foreign country seeking to sabotage the canal seizes one of its merchant ships inside a lock. Response: The governments of Panama and of the U.S. combine forces to clear out the derelict.

Situation B: Following a military coup, a less-fanciful government takes over in Panama and (for whatever reason) closes the canal. Response: The U.S., in the course of forcing the canal open, resists the government's closing it; battles the government. The justice authority of the U.S. is clear both under the proposed treaties that give the United States the right to keep the canal open as under the old treaty. Because, you see, if situation B should happen, then Panama is not living up to the new treaties and the situation reverts immediately to the old treaty.

The situation is best understood by the analogy of Catholic doctrine and the ecumenical treaties. The doctor is permitted to labor to save the life of the mother (the canal). If in order to do it the fetus is killed (the revolutionary government of Panama overthrown), then no moral law is broken. That would appear straightforward enough.

Now there are senators who say that unless the rights of the United States as given above, and as reiterated on October 14 in a joint declaration by Torrijos and Carter, are written into the treaty documents in such a way as to require reconfirmation in a Panama plebiscite, we run a risk.

What risk? That a future Supreme Court of Panama will rule that since these provisions were integral to the treaties, they should not have been passed along as mere protocols. Our answer to that is that the language of the formal treaties itself certifies the same rights; that the protocols are mere redundancies; and that the chief of state of every country in the hemisphere has understood the treaties in the same way that we have understood them (yes: the chiefs of state are scheduled to confirm the protocols). What if the Supreme Court of Panama should then say: "We disagree, and we are sovereign."

But what if the Supreme Court of Panama should rule that the cow jumped over the moon? If the Supreme Court of Panama wants to illegitimize the treaties, sometime in the future, I should think the easiest line to take is that Torrijos was a dictator and that therefore no plebiscite taken under Torrijos can be held valid. Very well, what then? In that case, our Secretary of State would say: These treaties are null and void, and the situation reverts to the status quo ante. That Supreme Court would have the shortest life in Panama history, and the shortest life for a government body in Panama's history is about as short as you can get. So let us get on with it.







## Insurance Stocks

22	1%	216	-16	OldRep	40	61	219	2094
24	2%	6%		PaSciSt Life	32	16	2%	3
25	8%	8%		PenarInc	32	445	6%	3194 + 4
26	3%	1%		Pharm	32	12	1%	1
28	3%	2 1/4%		PhilaLife	50r	38	21%	21%
29	12%	9%	18%	Piedmont	32	21	12%	12%
30	1%	1%		Piedmont	32	21	12%	12%
32	1%	1%	19%	Pres Life	32	3	3%	3
33	1%	1%	1%	Pres Life	32	3	3%	3
34	2%	2%		ProLife	32	23	23%	23%
44	2%	1%		ProLifeAcc	32	35	35%	35%
2	3%	4%		ProLife	25a	2092	209%	3019 + 4
3	3%	3 1/4%		ProLife	25a	2092	209%	3019 + 4
11	2%	1%		RepubLife	32	148	8%	812 - 4
119	14%	2%	+	RandLife	32	15	1%	1%
173	18%	18%	+	RandLife	32	15	1%	1%
18	17%	18%	18%	SecurCorp	180	130	36%	3614 + 4
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Week Ended Feb. 10, 1978

Week Ended Feb. 10, 1978

	360,000	87½	77½	83½
Oil M	315,200	80½	75½	80½

... Ind	263,100	2 1/2	2	2 1/2
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ode Ltd	169,700	8 1/2	8 3/4	8 3/8 +
t Gfm	155,000	8 7/8	8 3/4	8 7/8 +
ay Corp	169,200	213-	209+	213 1/2 +

Corp	199,200	21%	20%	21%+
ns Pet	126,608	8%	8%	8%—
thr Res	121,000	13%	12%	13%+

Ind 116,200 13¼ 18¾ 12½+  
ures traded in: 1,062.  
various: 577; declines: 220.

new highs: 64; new lows: 25.

Amount: 10,883,970 shares.  
 As to date: 65,406,850 shares.

**NYSE ADDRESS**

**NISE Averages**  
Week Ended Feb. 10, 1973

	High	Low	Last Change	Net
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st.	53.97	68.02	80.48	+0.1
sp.	39.90	29.43	29.47	-0.1

ce	51.33	50.69	51.32	+0.1
oute	00.37	49.87	50.01	+0.3

Standard & Poor's				
Indust.	100.59	97.90	99.12	+0.4

ranap.	13.41	13.08	12.16	-0.1
tila.	52.64	51.48	02.23	+5.3
iance	10.58	10.31	18.54	+2.2

Finance	10.58	20.31	18.90	+0.1
Stocks	81.32	88.95	80.08	+0.4
Dow Jones				

Indust.	787.42	764.21	775.99	+5.6
Transp.	215.48	211.00	212.05	-0.3

omb.	275.81	269.11	272.85	+0.8
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## Questions

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the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion. The number of people aged 65 and over is expected to increase from 250 million to 450 million. The number of people aged 15 and over is expected to increase from 3.5 billion to 4.5 billion. The number of people aged 15 and over is expected to increase from 3.5 billion to 4.5 billion. The number of people aged 15 and over is expected to increase from 3.5 billion to 4.5 billion.

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**Euromarket****Eurodollar Bonds Perform Well  
But Outlook for Year Is Cloudy**

By William Ellington

LONDON, Feb. 13 (AP-DJ)—A Eurodollar bond market performed well last week although a bulk of new investment seemed to be directed into issues denominated in other currencies, particularly the deutsche mark and Swiss franc.

Dealers said steadiness of the dollar in the foreign exchange market and the leveling out of short-term interest rates caused improvement in investor psychology.

However, many forecasters remain pessimistic about the year as a whole. They contend that oil prices will be forced higher by the OPEC cartel, and that the United States, with its heavy credit demands by the federal government, will have a second half of this year and another outbreak of currency turmoil would add to downward pressure on Eurodollar bond issues.

However, another school of thought holds that the Eurodollar market will become steadier as good quality paper, as the dollar weakens, and this will help prices firm.

**Surplus Capacity**

It is argued that corporate demand for long-term finance will remain slack because widespread surplus production capacity will still be needed for financing. Governments always need money, of course. Yet many government borrowers may turn to the syndicated bank loan market instead of the Eurodollar market for funds. Banks are particularly anxious to lend money these days, partly because of the absence of corporate loan demand. And, probably, many government entities will

be enticed into taking out medium-term bank loans because large amounts can be obtained at historically small margins above prevailing interbank interest rates.

For example, Sweden is expected to be in the market shortly for a \$1-billion Eurocurrency bank loan. Denmark has made arrangements to borrow \$600 million over seven years. Finland just obtained a \$200-million, six-year standby facility.

In any case, the calendar of scheduled Eurodollar bond offerings has remained modest since the beginning of the year. At the moment, four such issues are scheduled for offering but they are all small ones.

Syndicate sources said that a \$25-million, eight-year issue of New Zealand Forest Products Ltd., the largest private corporation in New Zealand, is already well oversubscribed even though the offering will not be priced until next week. The issue is expected to bear 9 per cent annually.

Also in the market is a \$28-million, seven-year note issue of Avco Overseas Capital Corp. with an indicated 9.25-per-cent coupon rate. Moody's has rated the issue BAA, which takes into account the parent company's guarantee of Avco Corp. Though the issue is of intermediate quality, demand was reported to be substantial.

A syndicate scheduled a \$30-million, five-year note offering of Ektachrome KK bearing 8.5 per cent. The company is engaged in the cyclically depressed shipbuilding sector, but nevertheless the notes are guaranteed by Sanwa Bank, the fifth

**U.S. Commodities**

CHICAGO, Feb. 12 (AP-DJ)—Worries that this winter's severe cold has produced heavy losses in hog and cattle herds boosted livestock futures this week to their highest levels since last spring.

Snow-clogged roads that continued to impede the movement of animals to major markets added to the bullish mood at the Chicago Mercantile Exchange.

Low bacon supplies also triggered an aggressive demand in the pork belly pit, where limit gains were posted during several sessions.

Grain futures prices were relatively stagnant on the Chicago Board of Trade. The biggest change was a dip of 14 cents a bushel for March soybeans, or about \$700 a contract.

Despite figures from the Agriculture Department that showed last week's soybean export sales at their largest this marketing year, these contracts averaged losses of 11 cents a bushel. Soybean oil and meal contracts finished mostly a shade below prices of a week ago.

Speculation that China may need to import large amounts of wheat this year helped the March wheat contract to net a gain of 1 3/4 cents, but other months slipped lower.

And corn futures, still trading within a narrow range, closed fractions of a cent lower in 1978 crop months and a couple cents higher in contracts for delivery beginning in September.

By the end of the week, soybeans had slumped 9 to 14 cents a bushel compared with the previous week's close, with the March contract selling for \$5.58 a bushel; wheat was 1/2 cent lower to 1 3/4 cents higher, March \$2.60 1/4; corn was 1/2 cent lower to 3 1/4 cents higher, March \$2.26, and oats declined 1 1/4 to 2 1/4 cents, March \$1.31.

Soybean oil was 0.68 cent a pound lower to 0.1 cent higher, March 20.26 cents per pound and soybean meal slumped 50 cents to \$3.50 a ton, March \$148.90 a ton.

Two Eurosterling bond offerings last week performed reasonably well in the aftermarket. Nevertheless, a certain amount of the bonds were reoffered at 1.5 points below issue price. This suggested that some underwriters were willing to give up their 1.5-per-cent selling commission in order to get rid of those bonds they could not place.

However, by Friday, prices had started to move up. Thus, a \$20-million, 10-year issue of INA International Holdings Ltd. bearing 10 per cent was quoted at 86.63-88 compared with an issue price of par. Similarly, a \$15-million, seven-year issue of Sears International Finance NV bearing 10 per cent was quoted at 86.63-88 compared with an issue price of par. Similarly, a \$15-million, seven-year issue of Sears International Finance NV bearing 10 per cent was quoted at 86.63-88 compared with an issue price of par.

(Continued on Page 11, Col. 8)

**The U.S. Economic Scene****Steel Executives Moderately Optimistic for '78**

By Thomas E. Mullaney

PITTSBURGH, Feb. 12 (NYT)—Despite their industry's myriad problems, leading steel executives are taking a moderately optimistic stance about prospects for 1978.

They are counting on increased use of the metal by a broad range of their American customers—even if their belated automotive orders fall off—on the assumption that the nation's overall economic expansion will continue unchecked. And they are hoping that their mills will get a bigger share of the whole market than they did last year, with steel imports declining.

Some outside observers, however, are not as sanguine about order volume, profitability and the likelihood that the industry can cut sharply into the record share of the business that foreign steel captured in 1977.

The steel industry's trend this year is being closely watched in economic circles and in Washington for various reasons. A bigger year for the American mills would confirm that the economic recovery is continuing and would indicate how vigorous automotive sales will be and whether a real step-up is developing in capital spending by other industries.

It would also show the effects of the new government program to reduce the forces of import competition in this key industry. The program has fanned the fires of protectionist sentiment in Congress and elsewhere. A faster pace in steel would aid the whole unemployment situation and reduce the pressure for federal aid to laid-off workers and communities affected by the broadens of foreign competition.

It will be several months before it can be known whether

the government's "trigger-price" plan—which sets a minimum price at which foreign steel might be sold in this country—will help the domestic industry to any great extent. Most steel executives are uncertain how much the system can accomplish in reducing last year's record volume of 19.3 million tons of imported steel.

A few more months must pass also before the general course of the U.S. economy can be discerned more clearly. The adverse winter in many parts of the coun-

try has been distorting the production, sales, income, employment and other data that depict business activity. If there is no significant worsening of the weather for the next six weeks or so, the effects will be transitory and eventually lost in the overall context of the nation's \$2-trillion economy.

More pertinent will be indications whether capital spending throughout industry has finally begun to perk up, as steel orders seem to be suggesting, and whether it will continue to enlarge in

anticipation of tax-reduction and energy legislation pending in Congress.

At the moment, the nation's steel mills are not seriously affected by the weather in the Middle West and Eastern regions, where much of their production and fabricating capacity is. Some shipments have been curtailed for a lack of transportation, though not to the extent of last year's interruptions.

The industry's fuel supplies have been more ample this time, and it has had a large stockpile of coal to tide it over the lengthy miners' strike, though some mills are beginning to be bothered now by a reduction in power supplies from public utilities.

Electric companies here have asked industrial and residential customers to cut consumption by 25 per cent so that they can conserve their own coal reserves, and they have requested rate increases to compensate for their higher costs of bringing in electricity from other regions.

**Other Problems**

The steel industry has been confronted with more vexing problems than the hazards of winter. In addition to the unrelenting competition of foreign steel, it is trying to cope with rising costs, a squeeze on profit margins, heavy expenditures for pollution controls and the difficulties of raising new capital for modernization and more efficient new capacity.

If imports could be reduced, several industry officials said in interviews, a significantly better year could be in progress for steel. The general expectation is that shipments of steel products in 1978 could rise between four mil-

(Continued on Page 11, Col. 6)

**New York Stock Market**

By Vartan G. Vartan

NEW YORK, Feb. 12 (NYT)—Stock prices staged a modest advance last week, buoyed by generally favorable earnings reports and by hopes of a Senate compromise on the issue of natural gas pricing. Instead of a compromise, however, the Senate by week's end produced a stalemate.

Despite this impasse on gas prices, Superior Oil ran ahead 11 points on Friday, closing at 27 1/2, after trading at its highest price in four years. Superior holds large gas reserves in the United States and Canada. As far as profit developments, Wall Street ran two ways. Sharply improved earnings and liberalized dividends sent Boeing's stock to its loftiest level in a decade. Meanwhile, disappointing profit margins plunged Texas Instrument shares to a new low since 1975.

The Dow Jones Industrial average rose to 775.99 after finishing the previous week at 770.93. Bond prices showed little change for the week.

A severe snowstorm curtailed trading hours on Monday and Tuesday at the New York Stock Exchange and the American Stock Exchange. Volume at the Big Board totaled 85.1 million shares, compared with 101.95 million shares a week earlier.

Since a number of large companies such as American Brands, Xerox and Sears, Roebuck have raised their cash dividends so far in February, considerable interest will be focused Wednesday on directors of the American Telephone and Telegraph Co., who are scheduled to declare the next quarterly dividend. A year ago AT&T increased its quarterly dividend rate to \$1.05 from 95 cents. Ma Bell's stock now yields approximately 7 per cent.

**Over-Counter Market**

Symbol	100s	High	Low	Last	Chg
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1

Symbol	100s	High	Low	Last	Chg
AmSteel	100	100	99	99	-1
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AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1

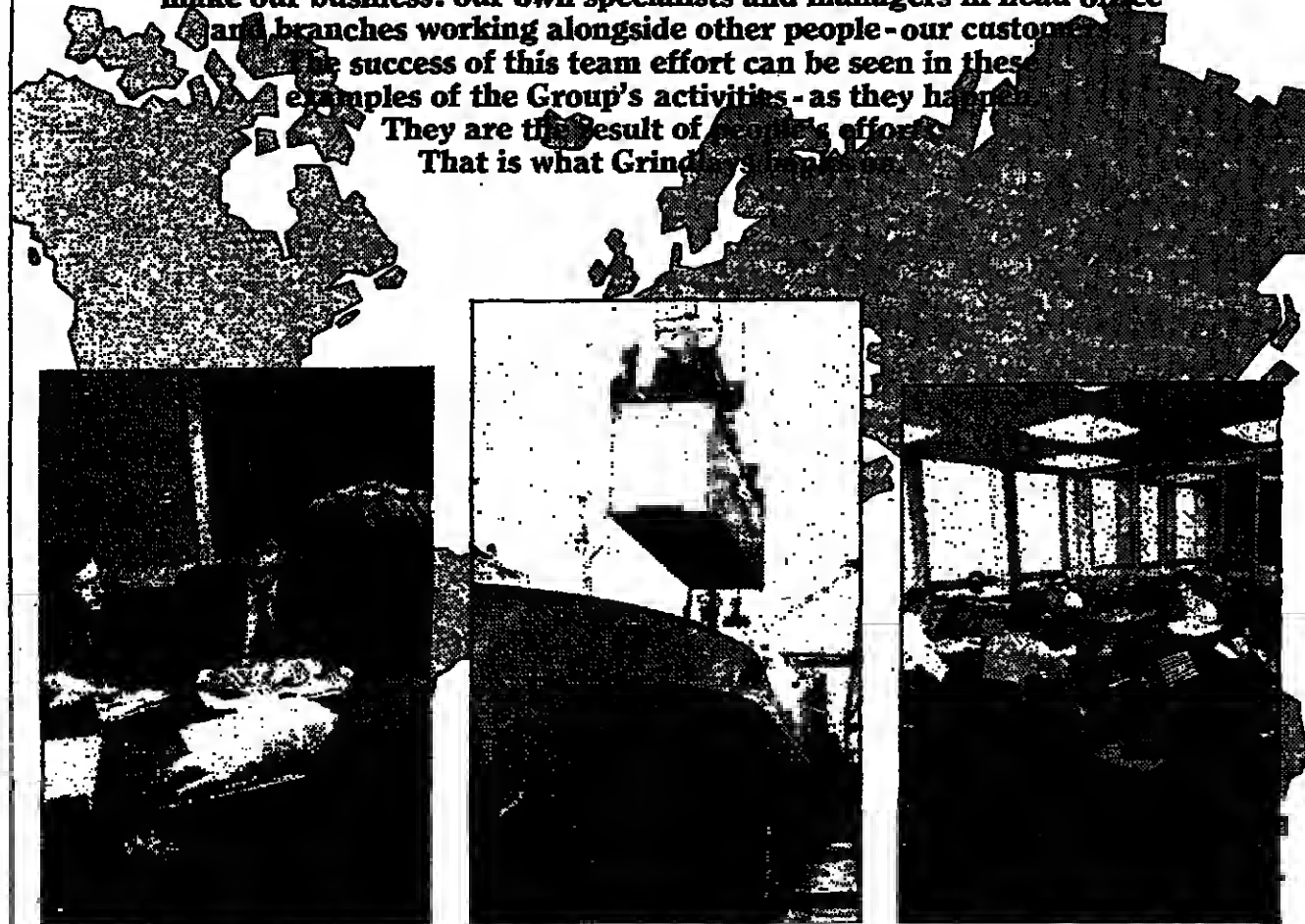
Symbol	100s	High	Low	Last	Chg
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1
AmSteel	100	100	99	99	-1

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LacBdRt	.36	94	94	94	94	94	94	94	94
LacBdSm	1.54	56	13	116	116	116	116	116	116
LacBdLm	.56	13	17	17	17	17	17	17	17
Lancet	.50	234	196	17	19	19	19	19	19
LancetCn	1.30e	57	54	54	54	54	54	54	54
LancetFm	.40	157	54	54	54	54	54	54	54
LancetGm	.00e	15	15	15	15	15	15	15	15
LancetHm	.00e	272	15	15	15	15	15	15	15
LancetIm	.00e	15	15	15	15	15	15	15	15
LancetJm	.38e	25	124	124	124	124	124	124	124
LancetKm	.38e	25	124	124	124	124	124	124	124
LancetLm	.38e	25	124	124	124	124	124	124	124
LancetMm	.38e	25	124	124	124	124	124	124	124
LancetNm	.38e	25	124	124	124	124	124	124	124
LancetOm	.38e	25	124	124	124	124	124	124	124
LancetPm	.38e	25	124	124	124	124	124	124	124
LancetQm	.38e	25	124	124	124	124	124	124	124
LancetRm	.38e	25	124	124	124	124	124	124	124
LancetSm	.38e	25	124	124	124	124	124	124	124
LancetTm	.38e	25	124	124	124	124	124	124	124
LancetUm	.38e	25	124	124	124	124	124	124	124
LancetVm	.38e	25	124	124	124	124	124	124	124
LancetWm	.38e	25	124	124	124	124	124	124	124
LancetXm	.38e	25	124	124	124	124	124	124	124
LancetYm	.38e	25	124	124	124	124	124	124	124
LancetZm	.38e	25	124	124	124	124	124	124	124

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